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ABSTRACT

Volume III of a study of program management procedures in the campus-based and Basic Educational Opportunity Grant (BEOG) programs provides a description of procedures employed within the U.S. Office of Education regional offices to administer the Basic Grant and campus-based student financial assistance programs. The objective of the report is to present a picture of the regional office environment. Chapters discuss the following separate programmatic areas falling within the purview of the regional offices: organizational structure; distribution and editing of campus-based aid application forms; allocation of campus-based aid to institutions; panel reviews and appeals; compliance with federal regulations; program reviews; and training. It is noted that further analysis will be performed in this area during the preparation of the final report for Stage II. Appendices cover such areas as application forms, guides developed for the application form, proposed changes to existing regulations, taxonomy of program abuse, and training materials. Illustrations contain tables and exhibits on various areas including eligible institutions; regional BEOG funding levels; program reviews; organization charts; application log-in form; sample documents of program reviews; and sample newsletters and notice letters. (LC)

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ED187263

G-129

REGIONAL OFFICE PROCEDURES

STAGE I FINAL REPORT FOR THE STUDY OF PROGRAM MANAGEMENT PROCEDURES IN THE CAMPUS-BASED AND BASIC GRANT PROGRAMS

(Volume III)

This report is made pursuant to Contract No. OE 300-77-0498. The amount charged to the Department of Health, Education, and Welfare for the work resulting in this report (inclusive of the amounts so charged for any prior reports submitted under this contract) is $244,632.00. The names of the persons employed or retained by the contractor, with managerial or professional responsibility for such work, or for the content of the report, are as follows:

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Mr. Michael J. Puma, Technical Manager
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U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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Office of Planning, Budgeting, and Evaluation
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400 Maryland Avenue, S.W.
Washington, D.C. 20202

September 1978

HE 012 [redacted] 737

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Author: Michael J. Puma

ACKNOWLEDGMENT

Dr. Robert T. Deane, Vice President, has provided overall direction of this portion of the project in his role as Project Director. Special thanks are extended to Mr. Boyd Kowal for his efforts in the collection of the data from the regional offices and to Ms. Wendy Dellefield for the collection of the data from the central office of USOE. Applied Management Sciences also wishes to express its appreciation to Dr. Alexander Ratnofsky, Project Officer, from the Office of Planning, Budgeting, and Evaluation for his guidance. Finally, we would like to thank those members of the regional offices who participated in the site visits for their cooperation in providing the information used in the preparation of this report.

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1

INTRODUCTION

Overview of the Report

The objective of this report is to provide a description of procedures employed within the USOE regional offices to administer the Basic Grant and Campus-Based student financial assistance programs. It is, by design, devoid of both an evaluation of these procedures and of the attitudes and opinions of those directly involved in their implementation. It is hoped that the result will yield an objective picture of the regional office environment. The report itself is divided into seven chapters, listed below, each of which deals with a separate programmatic area falling within the purview of the regional offices.

- Chapter 2 - Organizational Structure
- Chapter 3 - Distribution and Editing of Campus-Based Aid Application Forms
- Chapter 4 - Allocation of Campus-Based Aid to Institutions: Panel Reviews
- Chapter 5 - Allocation of Campus-Based Aid to Institutions: Appeals
- Chapter 6 - Compliance With Federal Regulations: Program Reviews
- Chapter 7 - Training

Although an effort was made to make this document as complete as possible, it should be viewed as an interim report. Further analysis needs to be performed, particularly during the preparation of the Final Report for Stage II.

Background

The impetus for this investigation was a general feeling within the financial aid community and the U.S. Office of Education that, at least in part, differences in the distribution of financial aid monies to institutions and students could be attributed to procedural differences among the regional offices. Although such funding differences are discussed more fully in Volume II: Funding History and Overall Achievement of Program Goals, Tables 1.1, 1.2 and 1.3 indicate that wide variations in regional funding levels do exist, and such differences are not necessarily associated with differences in the number of eligible institutions. For example, although regions II and IX have approximately the same number of schools (i.e., 777 and 743 respectively), they are significantly different with regard to the total level of BEOG funds and yet are quite similar with regard to the level of Campus-Based funds. Rather, it is the mix of institution types which appears to have the greatest effect on the way in which funds are distributed. That is, while the proportion of the generally more expensive Private Non-profit institutions is only 17 percent in region IX, such schools represent over 44 percent of the institutions in region II.

A more detailed examination of the equity of aid distribution is, by necessity, left to Stage II of this study. This report, however, does provide part of the data needed to resolve such issues, i.e., an identification of differences among regional offices in their administration of the student assistance programs sponsored by USOE. Therefore, it should be viewed as an interim document.

Data Collection Procedures

The data used to prepare this report were obtained through personal interviews conducted at each of the ten regional offices of USOE (see Exhibit 1.1). A formal questionnaire was not employed during the interviews, but rather an agenda of research questions was used in order to maintain consistency across regions. These questions have been included in the narrative as a means of separating the report into sections which address specific areas of interest.

TABLE 1.1: DISTRIBUTION OF ELIGIBLE INSTITUTIONS BY FEDERAL REGION

INSTITUTIONS CONTROL BY LEVEL	FEDERAL REGIONS										ROW TOTAL
	I	II	III	IV	V	VI	VII	VIII	IX	X	
TOTAL	503(100)	754(100)	788(100)	932(100)	1255(100)	623(100)	474(100)	256(100)	759(100)	229(100)	6573(100)
PUBLIC											
Total	109(21.7)	167(22.1)	186(23.6)	372(39.9)	348(27.7)	222(35.6)	127(26.8)	99(38.7)	215(28.3)	85(37.1)	1930(29.4)
University	18(3.6)	33(4.4)	26(3.3)	87(9.3)	97(7.7)	85(13.6)	27(5.7)	18(7.0)	41(5.4)	16.(7.0)	448(6.8)
Other 4-Year	22(4.4)	31(4.1)	45(5.7)	35(3.8)	15(1.2)	7(1.1)	10(2.1)	25(9.8)	15(2.0)	11(4.8)	216(3.3)
2-Year	57(11.3)	88(11.7)	83(10.5)	196(21.0)	183(14.6)	103(16.5)	79(16.7)	45(17.6)	149(19.6)	53(23.1)	1036(15.8)
1-2-Year	2(0.4)	0(0)	1(0.1)	12(1.3)	5(0.4)	6(1.0)	2(0.4)	3(1.2)	0(0)	0(0)	31(0.5)
Under 1-Year	3(0.6)	1(0.1)	5(0.6)	12(1.3)	5(0.4)	11(1.8)	1(0.2)	6(2.3)	3(0.4)	2(0.9)	49(0.7)
Unknown Level	7(1.4)	14(1.9)	26(3.3)	30(3.2)	43(3.4)	10(1.6)	8(1.7)	2(0.8)	7(0.9)	3(1.3)	150(2.3)
PRIVATE											
Total	250(49.7)	335(44.4)	301(38.2)	326(35.0)	471(37.5)	119(19.1)	201(42.4)	55(21.5)	129(17.0)	43(18.8)	2230(33.9)
University	35(7.0)	88(11.7)	34(4.3)	31(3.3)	59(4.7)	34(5.5)	18(3.8)	5(2.0)	41(5.4)	10(4.4)	355(5.4)
Other 4-Year	113(22.5)	132(17.5)	153(19.4)	188(20.2)	229(18.2)	53(8.5)	101(21.3)	24(9.4)	57(7.5)	24(10.5)	1074(16.3)
2-Year	69(13.7)	60(8.0)	86(10.9)	77(8.3)	100(8.0)	23(3.7)	51(10.8)	11(4.3)	10(1.3)	6(2.6)	493(7.5)
1-2-Year	2(0.4)	5(0.7)	5(0.6)	2(0.2)	9(0.7)	2(0.3)	3(0.6)	6(2.3)	1(0.1)	0(0)	35(0.5)
Under 1-Year	8(1.6)	11(1.5)	14(1.8)	2(0.2)	12(1.0)	3(0.5)	12(2.5)	0(0)	5(0.7)	1(0.4)	68(1.0)
Unknown Level	23(4.6)	39(5.2)	9(1.1)	26(2.8)	62(4.9)	4(0.6)	16(3.4)	9(3.5)	15(2.0)	2(0.9)	205(3.1)
PROPRIETARY											
Total	144(28.6)	250(33.2)	301(38.2)	234(25.1)	435(34.7)	282(45.3)	146(30.8)	102(39.8)	415(54.7)	99(43.2)	2408(36.6)
University	2(0.4)	3(0.4)	56(7.1)	3(0.3)	4(0.3)	5(0.8)	1(0.2)	1(0.4)	4(0.5)	1(0.4)	25(0.4)
Other 4-Year	6(1.2)	6(0.8)	1(1.3)	3(0.3)	10(0.8)	3(0.5)	0(0)	2(0.8)	6(0.8)	2(0.9)	48(0.7)
2-Year	33(6.6)	86(11.4)	10(1.3)	81(8.7)	134(10.7)	39(6.3)	33(7.0)	30(11.7)	66(8.7)	10(4.4)	590(9.0)
1-2-Year	7(1.4)	22(2.9)	78(9.9)	34(3.6)	24(1.9)	27(4.3)	27(5.7)	23(9.0)	25(3.3)	14(6.1)	236(3.6)
Under 1-Year	90(17.9)	131(17.4)	33(4.2)	103(11.1)	245(19.5)	196(31.5)	82(17.3)	41(16.0)	300(39.5)	67(29.3)	1378(21.0)
Unknown Level	6(1.2)	2(0.3)	123(15.6)	10(1.1)	18(1.4)	12(1.9)	3(0.6)	5(2.0)	14(1.8)	5(2.2)	131(2.0)
Unknown Control	-----	2(0.3)	-----	-----	1(0.1)	-----	-----	-----	-----	2(0.9)	5(0.1)

Source: Fiscal operations report and program information monitoring system merged data base (1977-78)

TABLE 1.2: REGIONAL BEOG FUNDING LEVELS: FUNDING FROM 7/1/77 TO 3/3/78 (NOT A FULL PROGRAM YEAR)

Region	Number of Schools	Rank	Dollars	Rank
I	542	7	75,302,301	7
II	743	5	307,285,253	1
III	823	3	137,350,831	6
IV	1001	2	265,711,906	2
V	1283	1	255,901,664	3
VI	654	6	170,472,462	4
VII	485	8	71,581,155	8
VIII	261	9	41,308,710	10
IX	777	4	161,593,206	5
X	227	10	42,519,817	9

TABLE 1.3: REGIONAL CAMPUS-BASED PROGRAMS FUNDING LEVELS: INITIAL FUNDING 1977 - 1978

Region	NDSL	SEOG IY and CY Combined	CWS	TOTAL	Regional Rank
I	26,390,676	24,465,300	38,879,727	89,735,703	6
II	37,765,976	27,282,503	44,324,826	109,375,305	4
III	30,648,612	22,144,169	37,267,651	90,060,432	5
IV	39,570,578	29,522,831	64,906,389	133,999,798	2
V	64,438,753	53,226,034	69,694,781	187,359,568	1
VI	25,729,095	18,967,386	42,524,449	87,220,950	7
VII	18,812,486	11,876,864	18,600,156	49,289,506	8
VIII	14,218,474	10,120,097	15,586,179	39,925,050	10
IX	39,051,292	30,975,562	39,995,184	110,022,038	3
X	13,874,058	12,512,254	18,634,274	45,020,586	9

EXHIBIT 1.1 : Regional Office Interviews Conducted

Region I - Boston	Date & Time

Mr. William T. Logan
Regional Administrator
Office of Student Financial Assistance
Room 2403
John F. Kennedy Federal Building
Boston, Massachusetts 02203
(617) 223-7205

July 31, 1978
9:00 A.M.

Region II - New York City

Mr. Thomas Zaccone
Assistant Regional Administrator for
Certification & Program Review
Office of Student Financial Assistance
Federal Building - Room 3954
26 Federal Plaza
New York, New York
(212) 264-4045

July 17, 1978
9:00 A.M.

Region III - Philadelphia

Mr. Frank Williar
Assistant Regional Administrator for
Certification, Program Review and
Training;
Mr. Calixto Marques
Chief of Institutional Review Branch
Office of Student Financial Assistance
3535 Market Street
Philadelphia, Pennsylvania 19101
(215) 596-1027

April 3, 1978
9:30 A.M.

Region IV - Atlanta

Dr. Carmelo Battaglia
Regional Administrator
Office of Student Financial Assistance
101 Marietta Tower Building
Suite 302
Atlanta, Georgia 30323
(404) 221-5008

July 27, 1978
9:00 A.M.

Region V - Chicago

Mr. Donald Aripoli
Assistant Regional Administrator for
Training and Dissemination
Office of Student Financial Assistance
12th Floor
300 South Wacker Drive
Chicago, Illinois
(312) 353-2510

August 29, 1978
9:00 A.M.

EXHIBIT 1.1: (Continued)

	Date & Time
Region VI - Dallas Dr. Carl Hammack Assistant Regional Administrator for Certification & Program Review Office of Student Financial Assistance Room 1560 1200 Main Tower Building Dallas, Texas 75202 (214) 767-3811	August 2, 1978 9:00 A.M.
Region VII - Kansas City Mr. J. William Keifer Regional Administrator Office of Student Financial Assistance 601 East 12th Street Room 365 Kansas City, Missouri 64102 (816) 374-5875	August 2, 1978 8:30 A.M.
Region VIII - Denver Mr. Paul Tone Assistant Regional Administrator Office of Student Financial Assistance Federal Building 19th and Stout Denver, Colorado 80294 (303) 837-4128	August 3, 1978 9:00 A.M.
Region IX - San Francisco Mr. Charles Hampton Regional Administrator Office of Student Financial Assistance 50 United Nationas Plaza Room 250 San Francisco, California 94102 (415) 556-8382	August 7, 1978 1:00 P.M.
Region X - Seattle Mr. Phil Rockefeller Regional Administrator; Mr. Jess Lockyer Assistant Regional Administrator for Certification, Program Review and Training; Mr. Mark Lothar Branch Chief, Program Review and Training Office of Student Financial Assistance 1321-2nd Avenue Arcade Building, Room 508 Seattle, Washington 98101 (206) 442-4156	August 9, 1978 9:00 A.M.

1

2

ORGANIZATIONAL STRUCTURE

This chapter does not address specific research questions but rather provides a description of the recent Office of Education reorganization and its effect upon the regional offices.

The Bureau of Student Financial Assistance (BSFA) was created on March 8, 1978 as part of a major reorganization within the U.S. Office of Education. It brought together programs formerly under the old Bureau of Postsecondary Education[1] and the Office of Management[2] and added a new program of insured loans for students in medical professions entitled the Health Education Assistance Loan program (HEAL). Under the direction of Mr. Leo Kornfeld, the new Deputy Commissioner for BSFA, the Bureau has been organized by function rather than program presumably to "...make it more efficient and responsive to those it serves."[3] As stated by Mr. Kornfeld:

---

[1] This included the three Campus-Based programs (Supplemental Educational Opportunity Grant (SEOG), National Direct Student Loan (NDSL), and the College Work-Study (CW-S)), the Basic Educational Opportunity Grant (BEOG) program, and the State Student Incentive Grant (SSIG) program. The Bureau of Postsecondary Education was abolished.

[2] The Guaranteed Student Loan Program (GSLP).

[3] BSFA Bulletin, February 1978, p. 2.

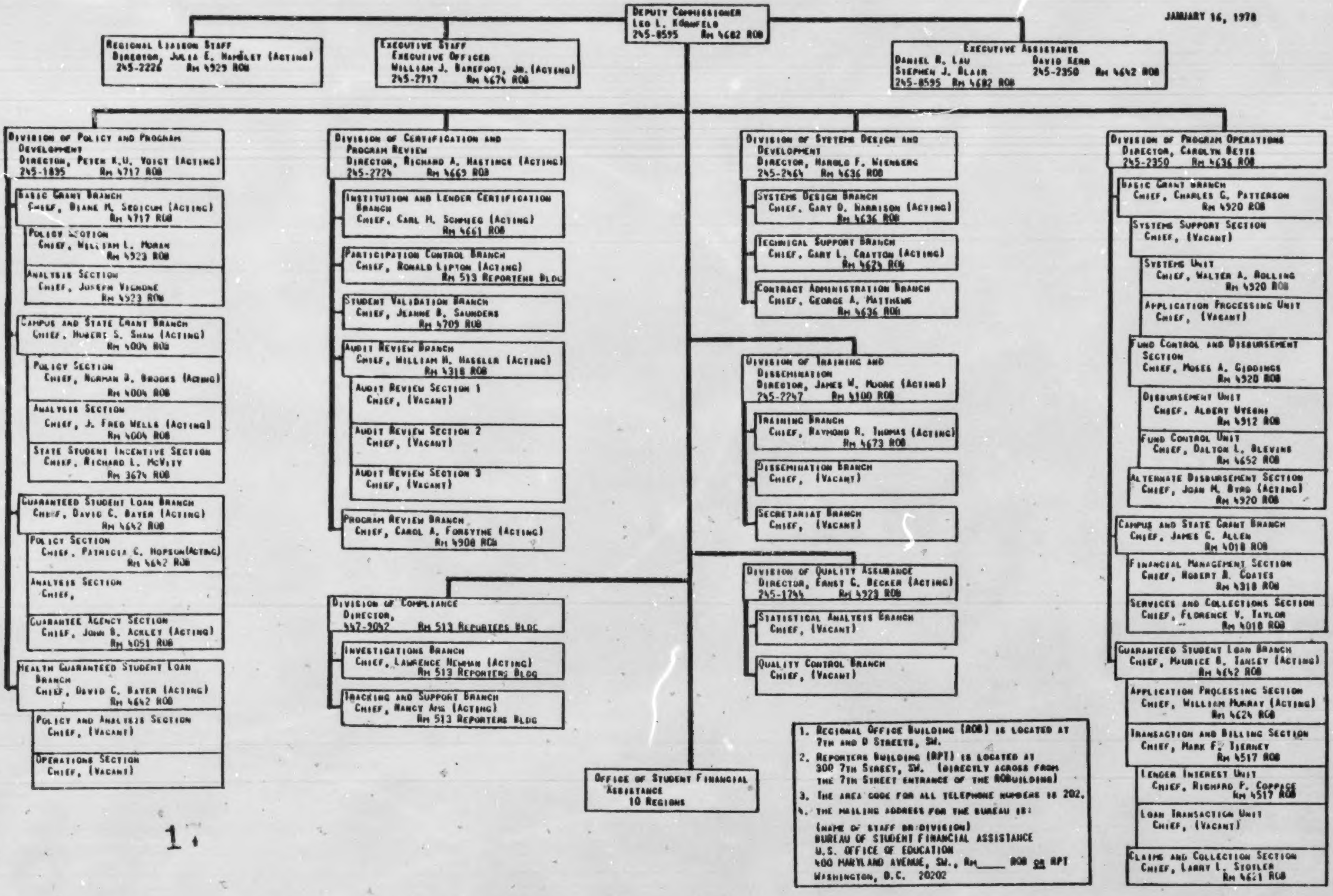
> The purpose of the new organization is to present to our public a structure that more accurately reflects their needs for service and information. While we do administer separate and distinct programs, policy and operational questions among the programs should, if possible, be consistent. With the new structure, operational questions can now be directed to an operations division, policy questions to a policy division, and certification audit and program reviews to that division. 1/

As currently structured (see Exhibit 2.1), the Bureau consists of seven functional divisions with only the Division of Policy and Program Development and the Division of Program Operations retaining branches relating to specific programs administered by the Bureau:

> Division of Policy and Program Development is responsible for planning short- and long-term issues, coordinating and planning legislative initiatives, and directing the development of funding requirements. This division directs the development of program policy.
>
> Division of Certification and Program Review develops and disseminates standards for institutional certification and operating procedures for internal program reviews. This division resolves audit exceptions and initiates the use of limit, suspend, and terminate actions. It also conducts validation of student-reported data and provides direction and program review activities.
>
> Division of Program Operations processes institutional fund requests, issues award documents and authorizations to institutions, reconciles fund expenditures and, under the GSLP, pays interest billings and special allowances to lenders. This division also pays claims, collects insurance premiums, pays death and disability claims and teacher cancellations, and provides regional office direction on program operation activities.
>
> Division of Quality Assurance prepares reports for management and planning purposes. This division determines the impact of Bureau programs by analyzing statistical trends and program characteristics and, based on these analyses, recommends appropriate changes in policy or operating procedures. It also determines the types of studies, tests, and other measurements to assess the effectiveness of BSFA programs.

1/ BSFA Bulletin, February 1978, p. 1.

EXHIBIT 2.1: ORGANIZATION CHART - BUREAU OF STUDENT FINANCIAL ASSISTANCE



Deputy Commissioner
Leo L. Kornfeld
245-8595 Rm 4682 ROB
Regional Liaison Staff
Director, Julia E. Hamblet (Acting)
245-2226 Rm 4929 ROB
Executive Staff
Executive Officer
William J. Barefoot, Jr. (Acting)
245-2717 Rm 4674 ROB
Executive Assistants
Daniel R. Lau
Stephen J. Blair
245-8595 Rm 4682 ROB
David Kerr
245-2350 Rm 4642 ROB
Division of Policy and Program Development
Director, Peter K.U. Voigt (Acting)
245-1835 Rm 4717 ROB
Basic Grant Branch
Chief, Diane M. Sedicum (Acting)
Rm 4717 ROB
Policy Section
Chief, William L. Moran
Rm 4923 ROB
Analysis Section
Chief, Joseph Vignone
Rm 4523 ROB
Campus and State Grant Branch
Chief, Hubert S. Shaw (Acting)
Rm 4004 ROB
Policy Section
Chief, Norman D. Brooks (Acting)
Rm 4004 ROB
Analysis Section
Chief, J. Fred Wells (Acting)
Rm 4004 ROB
State Student Incentive Section
Chief, Richard L. McVity
Rm 3674 ROB
Guaranteed Student Loan Branch
Chief, David C. Bayer (Acting)
Rm 4642 ROB
Policy Section
Chief, Patricia C. Hopson (Acting)
Rm 4642 ROB
Analysis Section
Chief,
Guarantee Agency Section
Chief, John B. Ackley (Acting)
Rm 4051 ROB
Health Guaranteed Student Loan Branch
Chief, David C. Bayer (Acting)
Rm 4642 ROB
Policy and Analysis Section
Chief, (Vacant)
Operations Section
Chief, (Vacant)
Division of Certification and Program Review
Director, Richard A. Hastings (Acting)
245-2724 Rm 4669 ROB
Institution and Lender Certification Branch
Chief, Carl M. Schmieg (Acting)
Rm 4661 ROB
Participation Control Branch
Chief, Ronald Lipton (Acting)
Rm 513 Reporters Bldg
Student Validation Branch
Chief, Jeanne B. Saunders
Rm 4709 ROB
Audit Review Branch
Chief, William H. Hassler (Acting)
Rm 4318 ROB
Audit Review Section 1
Chief, (Vacant)
Audit Review Section 2
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Audit Review Section 3
Chief, (Vacant)
Program Review Branch
Chief, Carol A. Forsythe (Acting)
Rm 4908 ROB
Division of Compliance
Director,
447-9042 Rm 513 Reporters Bldg
Investigations Branch
Chief, Lawrence Newman (Acting)
Rm 513 Reporters Bldg
Tracking and Support Branch
Chief, Nancy Ams (Acting)
Rm 513 Reporters Bldg
Office of Student Financial Assistance
10 Regions
Division of Sytems Design and Development
Director, Harold F. Wienberg
245-2464 Rm 4636 ROB
Systems Design Branch
Chief, Gary D. Harrison (Acting)
Rm 4636 ROB
Technical Support Branch
Chief, Gary L. Cratton (Acting)
Rm 4624 ROB
Contract Administration Branch
Chief, George A. Matthews
Rm 4636 ROB
Division of Training and Dissemination
Director, James W. Moore (Acting)
245-2247 Rm 4100 ROB
Training Branch
Chief, Raymond R. Thomas (Acting)
Rm 4673 ROB
Dissemination Branch
Chief, (Vacant)
Secretariat Branch
Chief, (Vacant)
Division of Quality Assurance
Director, Ernst G. Becker (Acting)
245-1744 Rm 4929 ROB
Statistical Analysis Branch
Chief, (Vacant)
Quality Control Branch
Chief, (Vacant)
Division of Program Operations
Director, Carolyn Betts
245-2350 Rm 4636 ROB
Basic Grant Branch
Chief, Charles G. Patterson
Rm 4920 ROB
Systems Support Section
Chief, (Vacant)
Systems Unit
Chief, Walter A. Rolling
Rm 4920 ROB
Application Processing Unit
Chief, (Vacant)
Fund Control and Disbursement Section
Chief, Moses A. Giddings
Rm 4920 ROB
Disbursement Unit
Chief, Albert Ureoni
Rm 4912 ROB
Fund Control Unit
Chief, Dalton L. Blevins
Rm 4652 ROB
Alternate Disbursement Section
Chief, Joan M. Byrd (Acting)
Rm 4920 ROB
Campus and State Grant Branch
Chief, James G. Allen
Rm 4018 ROB
Financial Management Section
Chief, Robert R. Coates
Rm 4318 ROB
Services and Collections Section
Chief, Florence V. Taylor
Rm 4018 ROB
Guaranteed Student Loan Branch
Chief, Maurice B. Tansey (Acting)
Rm 4642 ROB
Application Processing Section
Chief, William Murray (Acting)
Rm 4624 ROB
Transaction and Billing Section
Chief, Mark F. Tierney
Rm 4517 ROB
Lender Interest Unit
Chief, Richard P. Coppage
Rm 4517 ROB
Loan Transaction Unit
Chief, (Vacant)
Claims and Collection Section
Chief, Larry L. Stoller
Rm 4621 ROB

JANUARY 16, 1978

1. Regional Office Building (ROB) is located at 7th and D Streets, SW.
2. Reporters Building (RPT) is located at 300 7th Street, SW. (directly across from the 7th Street entrance of the ROBuilding)
3. The area code for all telephone numbers is 202.
4. The mailing address for the Bureau is:

(Name of staff or division)
BUREAU OF STUDENT FINANCIAL ASSISTANCE
U.S. OFFICE OF EDUCATION
400 MARYLAND AVENUE, SW., Rm_____ ROB or RPT
Washington, D.C. 20202

Division of Systems Design and Development designs and develops automated systems for BSFA programs and directs systems implementation and monitors systems contracts.

Division of Training and Dissemination determines and provides training for institutional financial aid staffs and Federal regional and central office staffs. This division develops and disseminates program materials such as brochures and program manuals. It also provides direction to the regional office staffs on training and dissemination efforts.

Division of Compliance develops standards and procedures for and conducts compliance and investigative reviews with field staff. It is the Bureau's link with HEW's Inspector General and the Department of Justice. It also provides direction to the regional offices on compliance and investigative matters.

In addition to the above divisions there are also three executive assistants, an Office of Regional Liaison, the Executive Staff and the ten Regional Offices which are grouped into the Office of Student Financial Assistance. The Bureau's regional offices are responsible for all field activities within the respective region including institution program reviews, certification and compliance, examination of loan claims and collections, review of institutional funding requests, operation of regional data systems, and dissemination of information to institutions, students, and the general public.

In terms of organizational structure, the regional offices are set-up in a manner that closely resembles that of the Central Bureau. Staff and areas of responsibility are divided similarly along functional lines, however separate Training and Dissemination divisions have only been formed in four regional offices -- Atlanta, Chicago, Dallas and San Francisco. In the remaining regions, the staff of the Certification and Program Review division have been assigned functional responsibility for training.

The Regional Administrators report directly to the Deputy Commissioner for BSFA. Weekly conference calls are held with all ten Administrators and formal meetings are held two times per quarter in Washington, D.C.

3

DISTRIBUTION AND EDITING OF CAMPUS-BASED AID APPLICATION FORMS

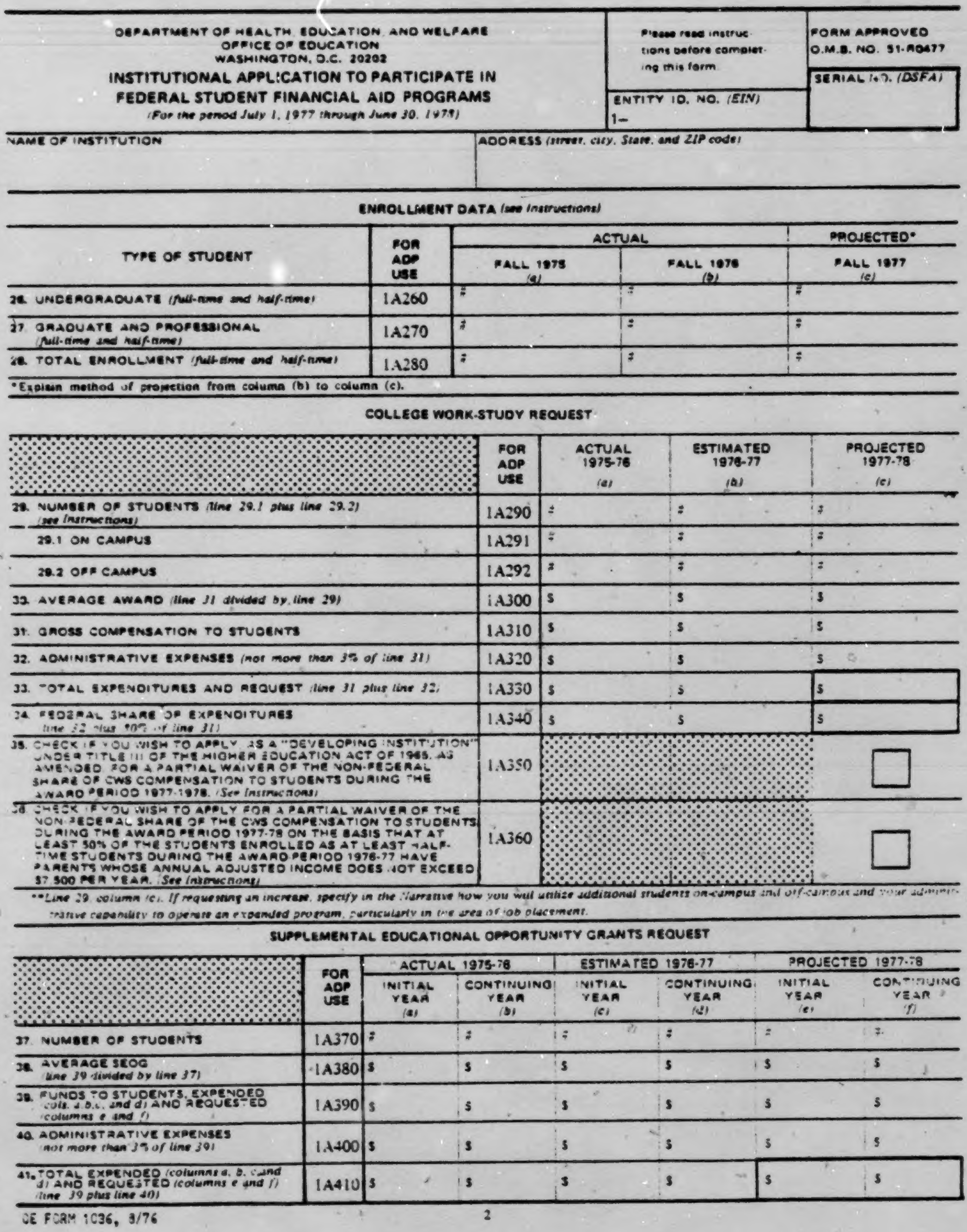
How are application forms distributed to institutions and what procedures are used to process the applications prior to panel review? What are the costs to OE associated with processing and editing these applications?

The Campus-Based programs' institutional application forms called a tripartite (see Appendix A), are distributed from OE Central in early September. However, a small supply is also kept at the regions for new applicants and for distribution to schools in advance as "working copies." The forms are then mailed to the regional offices and are generally all received by the 25th of October. Editing takes approximately two weeks and then the panel reviews are held.

The process of editing the forms consists largely of reviewing the forms for arithmetic errors, internal consistency, and in a few instances for the "reasonableness" of the data (see Exhibit 3.1 for examples of standard edits). The application forms are complex and despite the regional offices' training efforts approximately 70 percent of the forms require some modification (i.e., mostly arithmetic errors) while approximately 25 percent require more extensive corrections (i.e., generally internal consistency and missing data).

The procedures used by the regional offices to perform manual editing vary greatly. To begin with, while most applications are

EXHIBIT 3.1: EXAMPLE OF EDIT CHECKS DEVELOPED FOR THE TRIPARTITE FORM



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS
(For the period July 1, 1977 through June 30, 1978)

Please read instructions before completing this form.

FORM APPROVED
O.M.B. NO. 51-R0477

SERIAL NO. *(DSFA)*

ENTITY ID. NO. *(EIN)*
1–

NAME OF INSTITUTION

ADDRESS *(street, city, State, and ZIP code)*

ENROLLMENT DATA *(see instructions)*

TYPE OF STUDENT	FOR ADP USE	ACTUAL		PROJECTED*
		FALL 1975 *(a)*	FALL 1976 *(b)*	FALL 1977 *(c)*
26. UNDERGRADUATE *(full-time and half-time)*	1A260	#	#	#
27. GRADUATE AND PROFESSIONAL *(full-time and half-time)*	1A270	#	#	#
28. TOTAL ENROLLMENT *(full-time and half-time)*	1A280	#	#	#

*Explain method of projection from column (b) to column (c).

COLLEGE WORK-STUDY REQUEST

	FOR ADP USE	ACTUAL 1975-76 *(a)*	ESTIMATED 1976-77 *(b)*	PROJECTED 1977-78 *(c)*
29. NUMBER OF STUDENTS *(line 29.1 plus line 29.2) (see Instructions)*	1A290	#	#	#
29.1 ON CAMPUS	1A291	#	#	#
29.2 OFF CAMPUS	1A292	#	#	#
30. AVERAGE AWARD *(line 31 divided by line 29)*	1A300	$	$	$
31. GROSS COMPENSATION TO STUDENTS	1A310	$	$	$
32. ADMINISTRATIVE EXPENSES *(not more than 3% of line 31)*	1A320	$	$	$
33. TOTAL EXPENDITURES AND REQUEST *(line 31 plus line 32)*	1A330	$	$	$
34. FEDERAL SHARE OF EXPENDITURES *(line 32 plus 80% of line 31)*	1A340	$	$	$
35. CHECK IF YOU WISH TO APPLY, AS A "DEVELOPING INSTITUTION" UNDER TITLE III OF THE HIGHER EDUCATION ACT OF 1965, AS AMENDED, FOR A PARTIAL WAIVER OF THE NON-FEDERAL SHARE OF CWS COMPENSATION TO STUDENTS DURING THE AWARD PERIOD 1977-1978. *(See Instructions)*	1A350			☐
36. CHECK IF YOU WISH TO APPLY FOR A PARTIAL WAIVER OF THE NON-FEDERAL SHARE OF THE CWS COMPENSATION TO STUDENTS DURING THE AWARD PERIOD 1977-78 ON THE BASIS THAT AT LEAST 50% OF THE STUDENTS ENROLLED AS AT LEAST HALF-TIME STUDENTS DURING THE AWARD PERIOD 1976-77 HAVE PARENTS WHOSE ANNUAL ADJUSTED INCOME DOES NOT EXCEED $7,500 PER YEAR. *(See Instructions)*	1A360			☐

***Line 29, column (c). If requesting an increase, specify in the Narrative how you will utilize additional students on-campus and off-campus and your administrative capability to operate an expanded program, particularly in the area of job placement.*

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS REQUEST

	FOR ADP USE	ACTUAL 1975-76		ESTIMATED 1976-77		PROJECTED 1977-78	
		INITIAL YEAR *(a)*	CONTINUING YEAR *(b)*	INITIAL YEAR *(c)*	CONTINUING YEAR *(d)*	INITIAL YEAR *(e)*	CONTINUING YEAR *(f)*
37. NUMBER OF STUDENTS	1A370	#	#	#	#	#	#
38. AVERAGE SEOG *(line 39 divided by line 37)*	1A380	$	$	$	$	$	$
39. FUNDS TO STUDENTS, EXPENDED *(cols. a, b, c, and d)* AND REQUESTED *(columns e and f)*	1A390	$	$	$	$	$	$
40. ADMINISTRATIVE EXPENSES *(not more than 3% of line 39)*	1A400	$	$	$	$	$	$
41. TOTAL EXPENDED *(columns a, b, c and d)* AND REQUESTED *(columns e and f)* *(line 39 plus line 40)*	1A410	$	$	$	$	$	$

OE FORM 1036, 8/76

2

EXHIBIT 3.1: (continued)

EDIT CHECKS

The edit checks of the itemized entries will insure that your application is internally mathematically consistent.

NOTE: The symbol ≤ means "is equal to or less than."
The symbol ≥ means "is equal to or greater than."

Lines 1 through 25. Complete as indicated.

28a = 26a + 27a
28b = 26b + 27b
28c = 26c + 27c

29a ≤ 61a
29b ≤ 61b
29c ≤ 61c

29a = 29.1a + 29.2a
29b = 29.1b + 29.2b
29c = 29.1c + 29.2c

30a = 31a + 29a
30b = 31b + 29b
30c = 31c + 29c

31a = 33a x .97087*
31b = 33b x .97087*
31c = 33c x .97087*

31a = 34a x 1.20482**
31b = 34b x 1.20482**
31c = 34c x 1.20482**

32a ≤ 3% x 31a
32b ≤ 3% x 31b
32c ≤ 3% x 31c

33a = 31a + 32a
33b = 31b + 32b
33c = 31c + 32c

34a ≤ 32a + (80% x 31a)
34b ≤ 32b + (80% x 31b)
34c ≤ 32c + (80% x 31c)

37a + 37b ≤ 61a
37c + 37d ≤ 61b
37e + 37f ≤ 61c

38a = 39a + 37a
38b = 39b + 37b
38c = 39c + 37c
38d = 39d + 37d
38e = 39e + 37e
38f = 39f + 37f

38a ≤ $1,500
38b ≤ $1,500
38c ≤ $1,500
38d ≤ $1,500
38e ≤ $1,500
38f ≤ $1,500

39a = 41a x .97087***
39b = 41b x .97087***
39c = 41c x .97087***
39d = 41d x .97087***
39e = 41e x .97087***
39f = 41f x .97087***

40a + 40b ≤ 3% (39a + 39b)
40c + 40d ≤ 3% (39c + 39d)
40e + 40f ≤ 3% (39e + 39f)

41a = 39a + 40a
41b = 39b + 40b
41c = 39c + 40c
41d = 39d + 40d
41e = 39e + 40e
41f = 39f + 40f

32a + 40a + 40b + 45a ≤ $125,000
32b + 40c + 40d + 45b ≤ $125,000
32c + 40e + 40f + 45c ≤ $125,000

*Assuming line 32 equals 3% of line 31.
**Assuming line 32 equals 3% of line 31 and line 34 equals line 32 plus 80% of line 31.
***Assuming line 40 equals 3% of line 39.

subjected to a 100 percent verification, at least one region performed only a cursory edit due to the large volume of forms received. Furthermore, the level of effort expended on editing also exhibited wide variations:

- two regions did not allocate a unique block of time to editing but rather fit the work into their daily operations - editing was done on an as-available basis over a period of approximately five weeks;
- four regions used only internal staff but all edits were completed within two weeks - staff worked essentially full-time during the editing period; and
- two regions also completed the editing process within two weeks but to do so they had to augment their internal staff with local financial aid officers - these hours (approximately 40 person-hours in each case) were contributed and, as such, were not reimbursed by the regional office.

The two remaining regions approached the editing process in a far more formal manner and will be described in greater detail.

Both regions developed an edit guide (see Appendix B) which was used instead of the standard edits generated by the Central Office. This approach not only provided them with greater flexibility in terms of the types of checks which could be made but also resulted in a more detailed edit than called for in the standard guide. In addition, both procedures included a system for recording edits which have been completed along with an indication of potential problem applications (e.g., those with large amounts of carry-over cash in NDSL).

In both cases, a comprehensive pre-screening and log-in procedure was employed, however, in the case of one of the regions a component of a computerized tracking system (called SAMIS - Student Aid Management Information System) was employed during each of the application processing stages. Typical pre-screening and log-in procedures are described below.

1. Applications are received in the mail or hand-delivered and are opened. All copies and enclosures are kept together. Cover sheet (Exhibit 3.2) is filled out.
2. Date is stamped on back of page of all copies.
3. The acknowledgement card for the institution submitting the application is stamped, initialed by the clerk and mailed.
4. The ORIGINAL signature (page 1, item 23b) is checked. If signature is missing on original copy, the school is requested to submit a signature page and noted on the acknowledgement card.
5. If institution submitted a CONSOLIDATED application (page 1, item 4b), then the reverse side of page (Remarks) is checked to see that name and address of each branch campus is listed. All schools must be in one state.
6. If institution submitted an AUGMENTATION REQUEST (Section IX: 77, 78, 79, or 80), then a large "A" is written in upper right hand corner of page 1 and also in same location on brown envelope.
7. The number of copies submitted is checked. If there are not five copies, additional copies are xeroxed.
8. If NEW APPLICANT, school doesn't need:

   (a) Fiscal Operations Reports

   (b) Report of Defaulted NDSL Loans

   (c) Award Letter

   The following are also checked:

   - Page 1, item 5 -- DHEW Entity #
     (enter "I" and IRS Employer I.D.#)
   - Item 19 -- Enter "NEW" in blank
   - Section V -- line 51 -- NA
     52 and/or 53 & 54 -- PROJECTED COLUMN
   - Section VI -- Complete "PROJECTED" columns
   - Section VII -- NA
   - Section VIII -- NA
   - Section IX -- NA
   - Section X -- Complete lines 81, 86.1, 86.2 of
     Column (B) 89-90 -- "O"

EXHIBIT 3.2: APPLICATION LOG-IN FORM

1. Name of Institution & Address: ______________________

____

____

Type ________ (item 39)
Control ________ (item 40)
Level ________ (item 41)

Fed. Employer I.D. # ______________________ (item 5)

DSFA Serial No. ______________________ (item 19)

2. Logged (Initials - Date): ______________________

3. Five (5) copies received: ______________________

4. Signature (original): ______________________
(item 23b)

5. Acknowledgement postcard: ______________________

6. New Applicant: __________

7. Consolidated Application: ______________________
(item 4b, Remarks, reverse side of page 1)

8. Augmentation: ______________________
(Section IX: 77, 78, 79 or 80)

If "Yes," write "A" on right-hand side of application and outside of envelope.

9. Application returned (reason/s):

10. Follow-up Action: ______________________
FY 1976 & FY 1977 Fiscal Operations Reports; FY 1978 Award Letter; Worksheet--Region V; Report of Defaulted NDSL Loans (IF APPLICABLE).

Edited by: ______________________ Date: ______________________

-- Section XII: Narrative
  - (a) At top of page "Not Presently Participating" to be indicated.
  - (b) Is personnel information identified?
  - (c) Explanation of plans if funded?
  - (d) Was application completed by outside official--NAME & RELATIONSHIP?

9. If FIRST TIME APPLICANT (Award Period July 1, 1977 - June 30, 1978), school doesn't need:

(a) Fiscal Operations Reports

(b) Report of Defaulted NDSL loans

The following are also checked:

-- Page 1, line 4(a) -- (*) opposite APPLICANT NAME, see Remarks on reverse side for OLD Name & Address.

4(b) -- (*) opposite ORGANIZATION UNIT, see Remarks for NAMES & ADDRESSES of campuses.

-- Section V -- lines 51 -- NA
52 and/or 53, 54 -- Enrollment (Actual & projected)

-- Section VI -- Complete both "ESTIMATED" and "PROJECTED" for appropriate programs.

-- Section VII -- NA

-- Section VIII -- Columns (a) and (b) for programs participating in; "NA" for others

-- Section IX -- NA

-- Section X -- Complete lines 81 through 87; 89-90 -- Enter "0"

-- Section XII: Narrative
  - (a) Personnel information
  - (b) Explanation of plans if funded
  - (c) Name and relationship of person completing application other than college official who signed on page 1

10. If Continuing Applicant, the following are checked:

-- Page 1, 4a -- (*) opposite Name -- See Remarks on back of page for OLD Name.

(**) opposite Name -- See Remarks for Name & Address of each Member of CWS Consortium.

(***) opposite Name -- See Remarks for Name & Address of grantee designated to receive funds thru CWS Consortium.

-- Page 1, 4b -- (*) opposite Organization Unit -- See Remarks for Names and Addresses of Branch Campuses.

-- Section V -- Complete 39-51
51-60 -- ESTIMATED and PROJECTED

-- Section VII -- Complete ALL Columns
Enter "NA" for programs not participating in

-- Section VIII -- Complete ALL Columns unless section VII was completed and line 63 was selected as Formula Limit.

-- Section IX -- Complete 77-80
Limited to institutions which participated in FY 77.
Leave all three columns blank unless applying for Augmentation.

-- Section X -- Complete all blocks -- 31-37
Enter "O" if not in NDSL program

-- Section XI -- Complete if applicable

-- Section XII -- Narrative

To be completed by ALL except institutions selecting line 68(a) formula limit.

Include PERSONNEL information.

If someone other than school official shown on form, state NAME and RELATIONSHIP to institution.

11. If a page (or pages are missing, set aside to "CALL SCHOOL" stack. Missing pages must be mailed (time permitting) or hand delivered to OE immediately.

12. Top of all pages must include Name of Institution, Address, Entity No., and Serial No. If not included, complete them.

13. Section V, lines 39-44 must be completed by ALL applicants.
    Type & Control:
    (a) 5 / 3 -- Proprietary schools
    (b) 3 / 1 OR 3 / 2 -- Community Colleges
    (c) 5 / 1 OR 5 / 2 -- Nursing Schools
    (d) Correspondence schools -- Write at top of page 1.

14. After passing above checks, forms are set aside for "READY TO LOG."

Once the forms have been logged-in, each of the regions implemented their manual editing procedures. The actual procedures are rather straightforward. Each entry included in the edit guide is reviewed and if it is found to be discrepant, the correct entry is written in red pencil above the incorrect entry. The original entry is not removed.

In both cases, editing involved the use of internal staff and volunteer financial aid officers from schools within the respective regions. Since the latter individuals were not reimbursed for their time (approximately 3-5 days) the only cost incurred by the regional office was for travel and per diem which ranged between $3,500 and $4,100.

With regard to the cost of editing, the regional offices were generally unable to provide the requested information. The best data available was that received from the two regions which used the services of outside financial officers. In the first case, the editing of 646 applications required the use of 17 financial aid officers and 12 regional personnel for a period of three days for a total of 696 person-hours or about 64 minutes per application. In the second case, the editing of 735 applications required the use of 16 financial aid officers for five days for a total of 640 person-hours or about 52 minutes per application. Therefore, as a reasonable approximation the cost of editing the applications (exclusive of prescreening) would be about one hour per form.

4

ALLOCATION OF CAMPUS-BASED AID TO INSTITUTIONS: PANEL REVIEWS

What procedures are employed to perform a regional review of institutional applications for Campus-Based aid?

The purpose of the regional review panels was to evaluate the institutional applications for funds in the Supplemental Educational Opportunity Grants, College Work-Study, and National Direct Student Loan Programs and to recommend the appropriate funding levels for each institution, considering:

- the financial need of the students at the institution;
- the institution's administrative capability; and
- the institution's utilization of program funds.

Under the new application process, panel reviews have been eliminated in favor of a central processing approach (see the discussion at the end of this chapter).

The activities which were typically undertaken (some regional variation did occur) related to the regional panel review process are described below.

- Letters, statements, and contract forms are prepared and mailed to panelists and hotel reservations are made for visiting panelists;
- Folders are prepared for each school in the region and are sorted by institutional classification;

- Average aid per enrolled student is computed for beauty, business, technical/vocational and rabbinical schools;
- Applications are logged in on arrival, and placed in appropriate folders;
- The original and one copy of each application (unedited) is sent to Central Office;
- Summary statistics on applications received, by program and by state, are compiled and sent to Central Office;
- Applications are edited;
- Researchers (volunteers and/or regional office personnel) verify the past year's awards and the cost of litigation and collection;
- Applications are logged-in alphabetically and all folders are numbered;
- List of institutions applying for current year, but not in preceding year is transmitted to Central Office;
- Packets are prepared for panelists to review and panelists are assigned to subpanels;
- Folders are assigned to panels; and offices, desks, calculators and supplies are prepared for panelists;
- Panelists arrive and are briefed on guidelines;
- Application reviews are conducted;
- SFA clericals type panel notifications;
- Panel notifications are proofread, corrected and mailed to all applicants and two copies are transmitted to the Central Office;
- Folders are checked with cards (prepared by panelists) and returned to files along with two copies of notices;
- Requested and recommended amounts are computed by state and by program for all applicants;
- Lists, by state, of all combined applications, are transmitted to Central Office;
- Lists, by state, of all institutions participating in 1977-78 and not applying for 1978-79, are transmitted to Central Office;
- Computation of all augmentation requests and recommendations are prepared by program and by state and transmitted to Central Office.

The actual evaluation of applications was conducted by dividing the panel members into groups, each consisting typically of two financial aid officers and one Office of Education representative. Applications were distributed to panels on the basis of their composition which usually took one of two forms: 1) panels consisted of representatives from similar States; or 2) panels consisted of representatives from similar institutions. Each group then reviewed those applications which were in the same category as their panel membership with the exception of the applications from the schools of the panel members. Since the panels consisted of specialists from different types of institutions, the groups were normally encouraged to seek the expertise of the entire panel when an unfamiliar problem was encountered.

A notable exception to this procedure was encountered in one region. Rather than fixed panel assignments, the USOE representatives rotated among the subpanels, thereby participating in a different panel on each of the five days of the review session. In addition, this same region also formed an extra subpanel, called the jury, which consisted of four members: one USOE representative, one proprietary school representative, one representative of a 4-year private college and one from a 2-year public community college. The jury reviewed all the applications after the subpanels had completed their reviews for: 1) consistency of approach; 2) relevance and consistency of comments; and 3) accuracy. The following is a more detailed discussion of certain aspects of the application review process.

> *How are panelists selected for the application review panels? What are the size and composition of the panels that review the Campus-Based forms, by Region?*

Panelists were selected using guidelines established by the Central Office of USOE. As such, each region attempted to select a panel which: 1) included representatives from each State in the region; 2) was representative of the types of institutions (e.g., by control, level and size) in each of the respective States; 3) provided a reasonable mix of individual characteristics, i.e., by sex and ethnicity; and 4) included members who had previous panel experience as well as those who were participating for the first time. However, panelists were restricted to no more than two consecutive years on a review panel. The general selection process was as follows:

- State associations of financial aid officers were requested to submit names of potential panelists using the above guidelines;
- regional offices compiled lists of names and selected panel members;
- the final list of names was then forwarded to Central OE for approval; and
- once approved, the panelists were notified of their selection.

As shown in Table 4.1, it would appear that the results of this selection did bias the panels in favor of the public universities and 4-year colleges at the expense of the proprietary institutions and those with programs lasting two years or less. However, if one examines the proportion of students represented by each of these types of institutions (shown below), the distribution of participants becomes more equitable. Although the privates are still overrepresented,

	Proportion of Panel Participants	Proportion of Students Enrolled in Postsecondary Education[1]
Public	52.3	58.5
Private	30.5	15.5
Proprietary	17.2	26.0
Universities	24.5	25.2
4-Year	36.4	39.5
2-Year or Less	39.1	35.3

[1] Source: The Condition of Education, NCES, 1978.

TABLE 4.1: COMPOSITION OF REVIEW PANELS BY THE INSTITUTIONAL CHARACTERISTICS OF THE PARTICIPANTS BY REGION

Region	LEVEL									CONTROL									Is Representation Given to Each State in the Region?
	UNIVERSITY			4-YR			2 YR OR LESS			PUBLIC			PRIVATE			PROPRIETARY			
	Number on Panel	%	% in Region	Number on Panel	%	% in Region	Number on Panel	%	% in Region	Number on Panel	%	% in Region	Number on Panel	%	% in Region	Number on Panel	%	% in Region	
I	7	30.8	11.0	8	44.0	28.1	3	18.0	60.9	8	44.4	21.7	9	50.0	49.7	1	5.6	28.6	YES
II	2	11.8	16.5	8	47.1	22.4	7	41.2	61.1	7	41.2	22.1	8	47.0	44.4	2	11.8	33.2	YES
III	3	25.0	14.7	6	50.0	26.4	3	25.0	58.9	5	41.7	23.6	6	50.0	38.2	1	8.3	38.2	YES
IV	7	33.0	12.9	9	42.8	24.3	5	24.2	62.8	14	66.7	39.9	5	23.8	35.0	2	9.5	25.1	YES
V	8	36.0	12.7	8	36.0	20.2	6	28.0	67.1	12	54.5	27.7	7	31.8	37.5	3	13.7	34.7	YES
VI	2	13.0	19.9	6	40.0	10.1	7	47.0	70.0	9	60.0	35.6	2	13.3	19.1	4	26.7	45.3	YES
VII	1	12.5	9.7	4	50.0	23.4	3	37.5	66.9	3	37.5	26.8	4	50.0	42.4	1	12.5	30.8	YES
VIII	2	33.3	9.4	1	16.6	20.0	3	50.1	70.6	4	66.7	38.7	1	16.7	21.5	1	16.7	39.8	YES
IX	3	12.5	11.3	3	12.5	10.3	18	75.0	78.4	13	54.2	28.3	2	8.3	17.0	9	37.5	54.7	YES
X	2	25.0	11.8	2	25.0	16.2	4	50.0	72.0	4	50.0	37.1	2	25.0	18.8	2	25.0	43.2	YES
TOTALS	37	24.5	12.6	55	36.4	20.3	59	39.1	67.1	79	52.3	29.4	46	30.5	33.9	26	17.2	36.6	

the remaining categories are reasonably well distributed. Any skewing of the distribution is primarily due to the need to make the panels representative along the other variables of interest.

For example, each region successfully ensured the representation of each State (since nominations were made on a State-by-State basis) and attempted to achieve a representative mix of panelists by sex, ethnicity and prior experience. Although detailed data were not available from each region on a full range of characteristics of individual panelists (regional officers were reluctant to provide the information particularly with regard to ethnicity) the following provides some indication of the degree to which such representation was achieved for women:

Region	Male	Female
I	11	7
II	11	6
III	6	6
IV	14	7
V	15	7
VI	11	4
VII	6	2
VIII	5	1
IX	17	7
X	2	6

Although at first glance it appears that the review panels were predominantly male, the apparent selection bias may, in fact, be attributable to other factors, e.g., a shortage of women financial aid directors or the bias may have occurred at the nomination step rather than the selection step. Without further examination, it would be unwise to draw any further conclusions.

In addition to the participating financial aid officers, three regions also included several resource people (unpaid) who did not actually take part in the review process but were available to answer any technical questions that arose. These individuals represented the following types of organizations:

- State Departments of Education;
- State Departments of Financial Assistance; a
- Directors of the State associations.

As shown in Table 4.2, there is no apparent relationship between the size of the review panels, the total time spent on reviewing applications and the number of applications processed. It would seem rather that either other factors (e.g., the quality of applications submitted, the mix of schools in the region, etc.) or tradition determined the number of panelists selected and the length of time devoted to the review of applications. Without a detailed examination of an actual review process it is not presently possible to account for the marked differences in the level of resources expended.

How are panelists trained for the application review process?

Prior to the panel's meeting to review the applications, a copy of the review instructions (see Appendix C) was typically mailed to each panel member along with other materials (see Exhibit 4.1) for review prior to their arrival at the regional office.

Actual training of the panelists was done by the regional office staff participating in the review process and normally required between four and six hours to complete. The training usually consisted of the following elements:

- a review of the panel instructions;
- a discussion of the review process and schedule;
- a discussion of the panelists' responsibilities under the Freedom of Information Act and issues dealing with conflict of interest (e.g., reviewing their own school); and
- a review of clerical items (e.g., the completion of the notification form).

TABLE 4.2: SIZE OF REVIEW PANELS, NUMBER OF APPLICATIONS AND LENGTH OF 1978-79 REVIEW TIME BY REGION

	NUMBER OF PANELISTS					Length or Session (Days)	Number of Applications
		USOE					
	FAO	From Host Region	From Other Region	From Central Office	TOTAL		
I	18	3	--	2	23	5	304
II	17	4	1	1	23	5	449
III	14	6	--	2	22	5	436
IV	22	4	--	3	29	5	770
V	19	4	--	--	23	5	735
VI	15	6	--	--	21	5	425
VII	8	3	--	1	12	5	230
VIII	6	2	1	--	9	5	200
IX	24	5	1	2	32	10[1]	530
X	8	2	--	2	12	4[2]	170

[1] Three people stayed into the third week.

[2] Two people left after three days.

EXHIBIT 4.1: LETTER TO TRIPARTITE PANELISTS

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGIONAL OFFICE
REGION I
JOHN F. KENNEDY FEDERAL BUILDING,
BOSTON, MASSACHUSETTS 02203

OFFICE OF EDUCATION

November 2, 1977

DEAR PANEL MEMBER:

You have received a copy of Mr. William T. Logan's letter relative to your selection as a member of the Region I panel. We are looking forward to your valued help with the requests made for funding for Fiscal Year 1979.

It is incumbent upon each panel member to prepare for the panel procedures in advance of our session scheduled to commence on November 14, 1977. We must move forward rapidly during the review session to process the approximately 300 applications that we will have for your examination and findings. For your preparation prior to our session on panel instructions we are sending you the following enclosures:

1. Applications for four (4) schools along with edit check list and fiscal operations reports for renewal schools and application plus edit guide for new schools.

    a. Northern Essex Community College
    b. Vermont Law School
    c. Becker Junior College, Leicester Campus
    d. Solari School of Hair Design, Haverhill

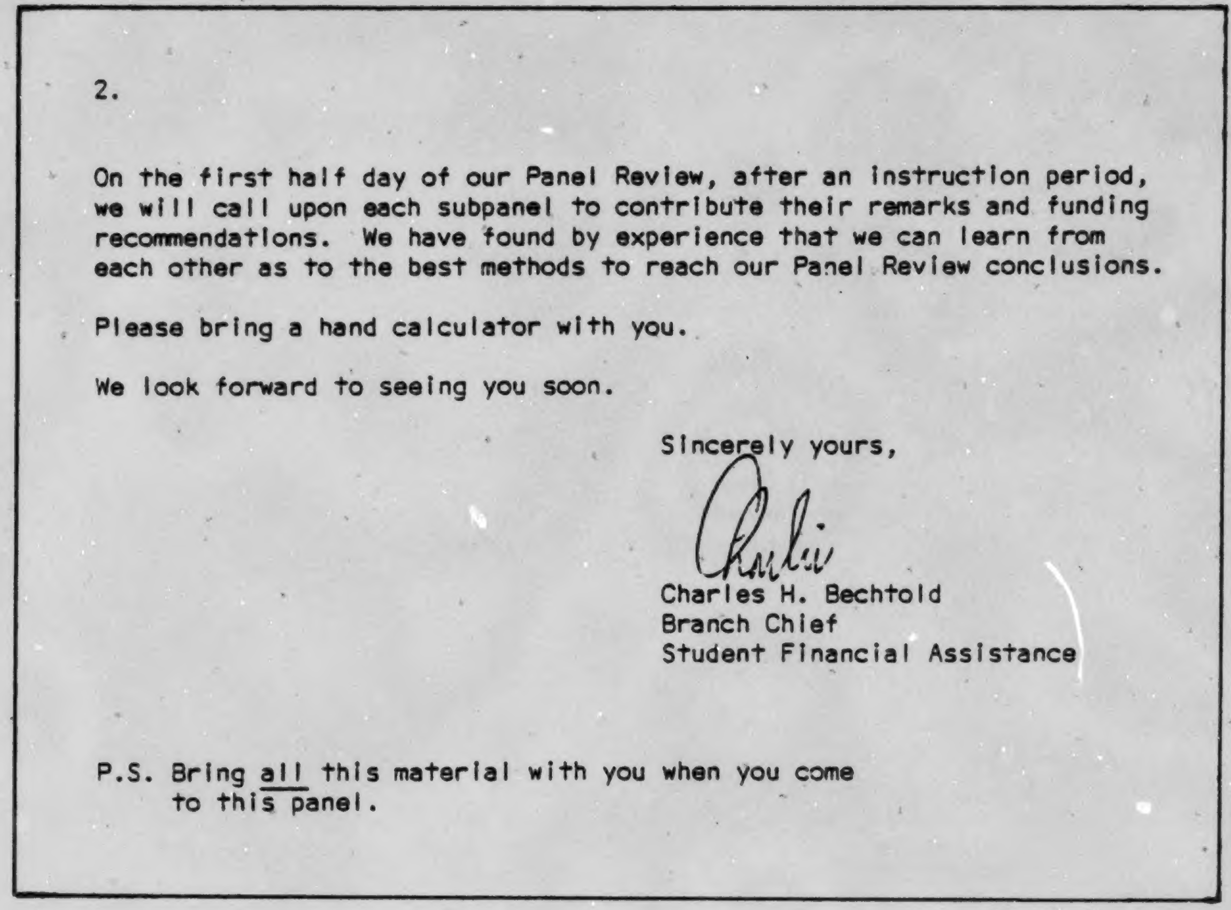
It is requested that you review the application as a CONFIDENTIAL matter for "EYES ONLY". These applications are to be used as part of the panel procedures and are not to be discussed with anyone. Please note that all applications have been edited by the Regional Office.

2. List of Panel Members
3. Copy of FY 79 Application includes panel guidelines
4. Notification Form - 4 sets (to be used for the 4 school applications enclosed)
5. Panel Schedule
6. Application Distribution
7. KYP Letters for panel use

All enclosures have been numbered in sequence to assist you in accordance with the enclosure sequence in this letter.

Would you please review the applications in accordance with the applicable enclosures. Complete the Panel Notification forms with your recommendations.

EXHIBIT 4.1: (continued)



2.

On the first half day of our Panel Review, after an instruction period, we will call upon each subpanel to contribute their remarks and funding recommendations. We have found by experience that we can learn from each other as to the best methods to reach our Panel Review conclusions.

Please bring a hand calculator with you.

We look forward to seeing you soon.

Sincerely yours,

Charlie

Charles H. Bechtold
Branch Chief
Student Financial Assistance

P.S. Bring all this material with you when you come
to this panel.

In some cases, trial applications were worked out and the results discussed but this was not typically included in the training process.

What is the average review time, by Region, of each type of application?

Estimates provided by the regional offices ranged from 5-15 minutes for a short form and 30-40 minutes for a long form.

How many amendments, on the average, are made per application? How is the decision to make an amendment to a line item arrived at? In particular, how are "administrative capability" and "prior utilization" included in the decision to amend particular line items?

To begin with, the term amendment is incorrect relative to the 1978-79 application review process. Unless an augmentation was requested, the only changes that were made were corrections for arithmetic errors. These averaged about five or six per application.

The calculation of funds in 1978-79 was based upon a formula limit and there was no opportunity for the panel to exercise its judgement. If augmentation was requested, it was generally either fully accepted or denied without any changes.

Panel decision-making was generally said to be based upon their "professional judgement" (including their knowledge of the individual institution) plus the use of prior audits and FISCOP reports. The role of the USOE representative was primarily to see that recommendations were made in adherence to the Federal regulations and not to attempt to dominate the decision-making process. In terms of actual decisions made, the regional offices were not able to provide detailed information but they were able to indicate that they did not base many decisions on administrative capability. Rather, prior utilization accounted for most of the denials of requests for augmentation.

What are the procedures by which OE notifies institutions as to panel recommendations for Campus-Based program funding; for actual award levels? What are the associated costs?

The notification notice was prepared by the review panel and typed at the individual regional offices. These were then mailed by the regional office to each applicant usually by the end of November. Two copies were also sent to the Central Office when the award letters were prepared and transmitted to the individual applicants.

For each Region, what is the overall cost of the panel review procedures?

Estimates provided by the regional offices indicate that the cost of conducting the panel reviews ranged from $12,000 to $14,000 for a five-day session.

Background of Proposed New Regulations[1/]

The Commissioner of Education has proposed (see Appendix D) to modify the way in which money is allocated to institutions participating in the Campus-Based programs based on the recommendations of a panel of experts (known as the Huff Panel) appointed by the Commissioner during the latter part of 1977. These changes reflect a general agreement within USOE that methods used to date (e.g., regional panels) have not resulted in an equitable distribution of funds and have placed an unnecessary burden both on schools and on the Office of Education. Therefore, the Commissioner is proposing these changes in order to accomplish the following objectives:

- to correct previous inequities in distributing funds to institutions participating in the Campus-Based programs;
- to distribute funds by formula rather than on the basis of recommendations by review panels;

[1/] For sections 3, 4, 5, 6, 7, and 16 of Parts 144, 1975, and 176 - National Direct Student Loan, College Work-Study, and Supplemental Educational Opportunity Grants Program Regulations.

- to distribute funds on the basis of verifiable data;
- to reduce significantly the amount of time required by institutions to prepare the application;
- to reduce processing time and to make it possible to announce awards earlier than before; and,
- to eliminate the need for convening review panels in the regional offices.

The proposed regulations also include the requirement that institutions must verify all student reported data on applications for Campus-Based aid received prior to January 1. However, since this chapter deals with the distribution of aid to institutions, a discussion of these changes has been eliminated.

The reason for the proposed changes, in addition to concern over the cost of the existing procedures, is related to the present inability of USOE to verify the data now used to distribute Federal funds. The procedures previously in use relied heavily on estimates, which were inherently unverifiable. The proposed procedures almost totally eliminate the use of estimates and the few remaining items which will be estimated will be imputed by the Office of Education using standardized procedures.

In seeking to develop the new regulations, the first step undertaken by USOE was the appointment of the Huff Panel to study the way that campus-based funds were being distributed. This Panel included both Federal and institutional representatives and worked closely with the National Association of Student Financial Aid Administrators. The panel's recommendations were published in the June 1978 BSFA Bulletin, and written comments were received and analyzed by USOE. In addition, during the first two weeks in July, public hearings were held in San Francisco, Houston, Washington, and Chicago. The input obtained resulted in certain modifications to the panel's recommendations and the development of final regulations. A Notice of Proposed Rule-Making (NPRM) will be published in the Federal Register sometime during November, 1978. Written comments will again be requested during the 30-day period following publication of the NPRM and additional public hearings held in three cities -- New York, New Orleans, and San Francisco.

As currently constituted, the proposed modifications consist of the following changes:

1. combine the annual fiscal-operations report and a shortened application into a single form (see Appendix A);
2. restrict the information required in the application to data that can be verified;
3. eliminate the expensive and subjective regional panel reviews;
4. use computers to determine the recommended funding level by program for each institution; and
5. distribute the Commissioner's "discretionary" ten percent of each appropriation using the same formula used to allocate funds to institutions.

A final recommendation of the Huff Panel -- to phase-in the new procedures over a three-year period to prevent any sudden dislocation of funds -- was rejected in order to provide USOE the opportunity to receive comments from the public on the results of the first year before taking further action. The proposed procedures are similar to the panel's recommendations, in that, it gives both current participants and new applicants a conditionally guaranteed level of funding, assuming that funds are available. Institutions needing additional funds beyond the conditional guarantee may request them by submitting further information. The procedure differs from the recommendations in its definition of level of funding and method of calculating the institution's "fair share."

The proposed changes are expected to benefit institutions: 1) by assuring them of a level of funding based on their actual expenditures for 1977-78 or projected expenditures during 1979-80; and 2) procedures for reviewing applications which are entirely objective and uniform for all institutions throughout the nation (i.e., it is believed that eliminating the regional panels will eliminate regional variations and differences between sub-panels in a given region). The following is a detailed discussion of the revised distribution method.

Proposed New Method for Distributing Campus-Based Aid to Institutions

Under this proposal an institution's level of funding will be considered the greater of its actual 1977-78 expenditures or its projected 1978-79 expenditures (these amounts will be compared for each program separately) to be calculated by the Office of Education in two steps:

1) the Office of Education will determine for each institution what percent it spent of the funds available to it in each program during 1977-78. The data for making this determination will be taken from the fiscal-operations report filed by the institution as part of its application; and,
2) the amount of funds available to the institution in each program during 1978-79 will be multiplied by that percentage to determine its projected expenditures.

If an institution did not participate in a particular program during 1977-78 but has funds available to it in that program during 1978-79, 100 percent use will be assumed. If an institution is a nonparticipant in all programs during 1978-79, it will also receive a conditional guarantee of funding. However, since that guarantee cannot be based on the institution's actual 1977-78 or projected 1978-79 expenditures, a substitute measure[1] will be used. That substitute measure will be the amount of funds awarded in each program to last year's new applicants for their expenditure during 1978-79 divided by the number of enrolled students in those schools. This will give an average award per enrolled student. Averages will be calculated by type and control, using a national data base. (Types of institutions are universities, four-year schools, two-year schools, area vocational schools and others. Control means public, nonprofit private and proprietary.) The average for each program will be multiplied by a new applicant's current actual enrollment to determine its conditional guarantee in that program for 1978-80.

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[1] This approach differs from that recommended by the panel of experts. Their recommendation was that a new applicant's funding level should be its "fair share," described in a following section.

Each institution, both "new" and "old," therefore will have a conditional guarantee for a specific amount of funding. If it has participated in one or two of the programs, but not all three, its conditional guarantee will cover only the program(s) in which it has participated. The key here is that each school will know its conditional guarantee amount before it files its application for funding. To apply for the funds covered by its conditional guarantee, an institution need only file its fiscal-operations report for 1977-78 (if it had funds for that year) plus an abbreviated application stating its request in each program. First-time applicants and those who had no funds for 1977-78 may file the application form only. To receive more funds than its conditional guarantee, the institution must file the additional data discussed below in the description of fair shares. As a final point, it should be noted that the amount of funding an institution eventually receives may be lower than the amount of its conditional guarantee since there may not be enough money available either in the appropriation nationally or in the funds available for a particular State to meet all conditional guarantees fully. In that case reductions in funding will be made. The amount of reduction may vary State-by-State and program-by-program because of the operation of the various statutory State allotment/apportionment formulas.

To determine whether the conditional guarantees can be honored in full, the Commissioner will total them nationally and by State and compare those totals with the funds available. If available funds are sufficient to honor all conditional guarantees, they will be honored. Otherwise, they will be reduced by the amount necessary to make them equal the amount of available funds. If available funds exceed the amount of the conditional guarantees, the excess funds will be given to those institutions whose fair shares exceed the amount of their conditional guarantees.

a) Calculation of Fair Shares

The Office of Education will compute by formula an institution's fair share of each appropriation. To have its fair share computed (using separate formulas for each of the three programs), an institution must supply the actual, verifiable data elements needed to perform the necessary calculations. Those data elements are defined as follows:

1) "Undergraduate Costs" and "Graduate Student Costs" Will be Computed as Follows:

   a) the institution will determine the number of "applicant students" in each category (and report these to the Office of Education) by counting the number of undergraduate and graduate students from whom it received completed applications for financial aid for 1977-78 (or comparable information in another form) and subtracting from these numbers the number of students who did not meet the requirements of (a) being a citizen or permanent resident of the United States and (b) being enrolled as at least a half-time student in an eligible program.

   b) the institution will report to the Office of Education its total tuition and fee revenue from all undergraduate students and its total tuition and fee revenue from all graduate students and the total numbers of those students. Using these numbers, the Office of Education will compute the institution's average tuition and fee revenue per undergraduate student and its average tuition and fee revenue per graduate student. The Office of Education will then multiply these averages by the number of applicant students in each category to determine the total amount of tuition and fee revenue from applicant students in each category.

   c) the Office of Education will multiply the number of applicant students in each category by a single national average figure for living expenses plus books and supplies. The living expenses figure used will be the Basic Grant family size offset for 1977-78 for single persons, multiplied by three-fourths to cover nine months rather than 12. For the 1979-80 application the living expense figure used will be $2250. The Office of Education will add $200 to this figure for books and supplies.

d) the Office of Education will add together the amounts it computes for total tuition and fee revenues from applicant students and for their living expenses and books and supplies to determine their total costs. This will be done separately for undergraduate and graduate students.

2) "Expected family contribution" (EFC) will be computed by the Office of Education by multiplying the number of students reported by the institution in each family income category by the national average expected family contribution for that income category. The Office of Education is considering two different alternatives for computing these averages. One alternative is to use data furnished by the major private need analysis services and their method of computing expected family contributions. The other is to use the 1979-80 family contribution schedule for Basic Grants, which is currently under development, and Basic Grant data.

3) "Gift Aid" (for use in the SEOG formula), is defined as including Basic Grants and State scholarships and grants plus all the categories of gift aid used by the institution in determining its maintenance of effort figures for CWS and SEOG. The amount to be deducted from cost will be 100 percent of the grant and scholarship funds received by the institution's students during 1977-78 from Basic Grants and from State scholarships and grants, plus two-thirds of the other scholarships and grants paid out by the institution during that year. The same State and institutional figures will be used for all of the later years of the new process. They will not be recomputed from year to year to reflect increased expenditures for scholarships and grants in later years either by the State or by the institution. This is being done in response to several commenters who objected that deducting State and institutional scholarships and grants from costs to determine the amount of Federal funds an institution will receive is unfair to those States and institutions which have made greater efforts than others to aid their needy students, often at considerable sacrifice to themselves.

The computational formulas which will be used are as follows:

A. SEOG Formula

The SEOG formula = 70 percent X cost - (EFC + BEOG + STATE GRANT AID + INSTITUTIONAL GRANT AID). Stated another way, if gift aid funds available to applicant undergraduate students plus their expected family contribution total less than 70 percent of their costs, the institution will be considered to have a need for SEOG funds. That "need" will then be split between initial year (IY) funds and continuing year (CY) funds in the same proportion as the institution's requests in those two categories. For example, if the institution requests $100,000 in IY funds and $200,000 in CY funds and is determined to need $150,000 total in SEOG funds, that total will be divided between IY and CY in the proportion of 1:2, which would amount to $50,000 in IY and $100,000 in CY.

To determine an institution's fair share of the IY and CY appropriations, the amount of need for all applicant institutions for IY and CY funds will be totaled nationally. Then each institution's need for IY and CY funds will be divided by the total need for those funds to compute that institution's "IY index" and its "CY index." Those indexes will be multiplied by the appropriations for initial and continuing funds to determine the institution's fair share of those funds. If the institution does not supply the figures needed to make these computations, its fair share of the available funds will be assumed to equal its conditional guarantee.

B. Self-Help Formula (CW-S and NDSL)

SELF-HELP FORMULA = (UNDERGRADUATE "COST" - TOTAL UNDERGRADUATE EFC)* + (GRADUATE "COSTS" - TOTAL GRADUATE

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*"UNDERGRADUATE COST - TOTAL UNDERGRAD. EFC" cannot exceed 30 percent of cost since it is assumed that 70 percent of undergraduate costs are being met by EFC and other assistance. Undergraduate need cannot be less than zero.

EFC)**. The Self-Help formula represents the need for all loans and work, both federally subsidized and others, rather than just the need for CW-S and NDSL.

B.1 How the Self-Help formula Will work for the CW-S Program

1. A Relative National Index (RNI) will be calculated for each institution as the ratio of that institution's formula-determined need to the sum of the need for all institutions.
2. The Relative National Index multiplied by the CW-S appropriation will equal the institutional Fair Share of the available CW-S funds.
3. The amount the institution is scheduled to receive under Part A may be equal to, less than, or greater than that institution's Fair Share. If it is equal to or greater than the Fair Share, then it represents the maximum employment for that institution for that year.
4. If additional funds are available for Part B, they will be distributed based upon the relative amount by which the institutional Fair Share exceeds the amount the institution is scheduled to receive under Part A.

B.2 How the Self-Help Formula will work for the NDSL Program

1. A Relative National Index will be calculated for each institution as the ratio of that institution's formula determined need to the sum of the need for all institutions.
2. The Relative National Index multiplied by the national pool of funds to be lent[1] equals the institutional Fair Share of NDSL funds.
3. The level of expenditures under Part A may be equal to, less than, or greater than that institution's Fair Share. If it is equal to or greater than the Fair Share, then it represents the maximum level of expenditures.
4. Institutions FCC will be calculated by subtracting its collections and reimbursements from its Part A level of expenditures.

**"Graduate Cost - Total Graduate EFC" cannot be less than zero.

[1] FCC, ICC, Collections, and Reimbursements to the NDSL Fund.

5. If additional funds are available for Part A, they will be distributed based upon the relative amount by which the institutional Fair Share exceeds the amount of the level of expenditures under Part A.

B.3 Shifting Funds in Self-Help Programs

In situations where the institutional formula generates a potential level of NDSL or CW-S funding in excess of that requested by an institution, this excess will be "brokered" (within the Office of Education funding process) with other institutions in the state. For example, if the Self-Help formula provides a CW-S recommendation which exceeds the maximum amount requested in that program, the difference will be put into an "excess" CW-S pool. Assuming that the institution's need for NDSL funds has not been fully met, each of these institutions will have its NDSL (FCC) recommendation increased by money in the "excess" pool times its proportionate contribution to the "excess" CW-S pool. Similarly, other institutions may have their CW-S recommendation increased by the money in the "excess" CWS pool times the proportionate contribution to the NDSL pool.

How the System will work in 1978 (for the 1979-80 award period)

All institutions which have participated previously as well as newly applying institutions will be supplied with a new form, the FISAP (Fiscal Operations Report - Funding Application) provided in Appendix A. Information requested in that report will be essentially the same information as that previously requested on the Fiscal Operations Report. It will include an additional short section to be completed by institutions wishing funding greater than previously utilized amounts (Part B) and those institutions applying for the first time.

Institutions will be given the option of applying for Part A only or additionally applying for Part B funds. If they apply for Part A only, they will have completed their request at the time they complete the Fiscal Operations Sections of the FISAP and the section requesting funds for the coming year. New institutions will not complete the Fiscal Operations Section of the FISAP.

All FISAPs will be mailed to the OE Central Office and put through a machine edit. The edit print-out of tentative Part A recommended levels will be mailed to the institutions with instructions on how to make corrections. A copy will also be mailed to the regional office. Institutions will be responsible for resolving errors. Regional office assistance will be available in the most difficult of cases, and corrections will be forwarded directly to the OE Central office for Keypunch.

With the assistance of a software program designed for this purpose, state totals in each program will be derived and compared with sums available. Remaining sums will be used to satisfy Part B requests or for whatever portion of those requests funds are available. A set of formulas which measure relative need for Federal funds will be used to derive two measurements of need for each Part B applicant (one measurement for the SEOG program and one measurement for the Self-Help programs).

Institutions will be sent information on dollar recommendations made under Part A from the OE Central office. If they have completed Part B, they will be informed of the recommended amount (if any) which will be available to them under Part B. Since there will be no individual judgment exerted on these decisions, no regional panel will be used for the review.

Regional Office Reaction to the Elimination of the Regional Review Panels

Although most of those interviewed believed the revised procedures to be a positive step toward achieving greater equity in the distribution of Campus-Based funds, two areas of concern were commonly expressed. First, the regional offices view the review panel process as having provided financial aid officers with an opportunity to participate in the Federal process. Almost universally, those interviewed emphasized the "educational benefits" which resulted from the involvement of aid officers in the process of distributing Campus-Based funds. Secondly, the regional panels were seen to "broker" the Federal role by expanding the decision-making process to include the private sector. The feeling is that, at a minimum, the review panels gave the appearance of government action being less arbitrary.

Finally, one of the regional offices compiled a list of panelists' reactions to the 1978-79 panel review process. These are provided verbatim below:

A. EVALUATION OF PANEL PROCEDURE

- Panel Process spreads discontent as thinly as possible across the nation. Impossible to please every institution.
- Times are uncertain since we do not know the administration's position on funding for SFA.
- Applications received more careful review than in past years.
- There was a high degree of consistency from one Panel to another.
- Panelists appreciated the fact that Jury asked panels to reconsider their decisions rather than arbitrarily overriding these decisions.
- The highly structured nature of the application itself made for more harmony between panels than in previous years.
- There was approval of the practice of starting the week with "clean" applications and working into the more difficult ones.
- The Panel Manager made a great contribution in the manner in which he distributed the workload and kept the whole process moving.
- Panel Manager should be brought in a day earlier than the rest of the Panel.
- Panel Notifications varied in the completeness with which they informed institutions of action taken. Some were done well. Some failed to explain Panel actions fully.

B. CONCEPTUAL PROBLEMS WITH 1978-79 APPLICATION

- The shifting of funds out of NDSL and into SEOG and/or CWS was a bigger problem than anticipated. A percentage of allowable shift should be placed both in and out of a program. For instance, a program should not be reduced to less than 90% at the same time that another should not be increased to more than 110%. The shifting option caused greater movements of funds from one program to another than anticipated. Most monies were shifted out of NDSL and into SEOG. A demonstration of the distortion created is evidenced in attachment.

- Underutilization of NDSL (when 68D is chosen as Formula Limit) can give an advantage to poor users which was not intended.
- Institutions should not have been forced to distribute their request, program by program, in the column D relationship. Such a requirement did not truly give colleges a choice between funding for '77 or for '78 but often forced them into a distorted request which did not reflect their needs.
- There is a great problem with the way the enrollment information was requested since so much credence was given to the percent change from Fall '76 to Fall '77.
    a. Institutions were not asked to indicate what method had been used for counting enrollment (whether Fall enrollment or previous 12 months) oftentimes the figures presented bore no similarity to figure on last years application and gave panels reasonable doubt.

    b. In the case of large percentage jumps between Fall '76 and Fall '77--sometimes 300%--no explanation was requested. It was impossible for Panel to feel confident that the two years had been counted in the same way or what facilities made such dramatic growth possible. Additionally, schools with large growth were not required to complete Section VIII--this year's commitments.
- More institutions should have been required to use Section VIII. In the case of any sizable requested change, VIII would have been useful.
- Much more supportive information should have been required of requests which exceeded 130% of last year's request.
- The lack of structure for augmentation requests moved the "grantsmen" back into operation. Obviously many colleges were unclear as to what was a valid reason for augmentation and what facts were necessary to support such reasons. If used again, perhaps more structure is needed.

- Natural disaster may not be the reason for funding a college at a higher level particularly if at the conclusion of disaster, economic conditions in an area are restored or even improved, i.e., a strike in an area may be followed by higher income levels the subsequent year. Also, if this process is repeated, a college would be rewarded into perpetuity for a condition whose tenure was short.
- The application does not require enough information to make good judgment on new participants. More is needed on how they will spend money and particularly how they will administer it.
- Schools shifting out of NDSL who have a high delinquency will never be able to move back into that program if rules remain the same (cannot augment if delinquency over 20%).
- The section on administrative capability is inadequate. It does not require a statement on the way a consultant splits time between institutions. Experience listed in narrative is not always pertinent to running an SFA shop.
- The present application can never be really effective unless correct Fiscal Operation Reports are available. The incidence of errors on the Fiscal Operations Report was extremely high making correct applications almost impossible.

5

ALLOCATION OF CAMPUS-BASED AID TO INSTITUTIONS: APPEAL OF REGIONAL PANEL'S DECISION

How do institutions appeal the initial allocation level for Campus-Based funds?

In the past, if an institution was dissatisfied with the review panel's recommendation for funding, there were two levels of appeal available for the purposes of obtaining a revised funding level. First, there was an appeal to the regional office for reconsideration and next an appeal to the Central Office called a "national appeal". Under the new allocation process, the regional appeal step has been eliminated leaving only the national appeal. The form and content of the national review will, however, remain unchanged. The general sequence of activities was as follows:

- school submited an application (end of October);
- regional panel reviewed application and notified school of its recommendations (end of November);
- if dissatisfied, school prepared appeal (which included any new information which might justify the original request for funds) and submitted it to the regional office;
- a regional appeal panel was convened, a decision reached, and the school notified by approximately December 15th (see Appendix E);
- if still dissatisfied, the institution could request a "national appeal" (no new information was allowed to be submitted at this point as it would constitute a new application) from the Central Office of USOE, which was the final level of arbitration; and

- a national panel was convened by approximately January 15th, the regional offices forwarded all information to OE Central, and final decisions were conveyed to the schools by the end of January.

The procedures used to conduct an appellate review were similar to those employed for the initial application review process. With the exception of one region which used only Federal staff, the general approach was to reconvene a small subset of the original panelists to review the appeals. These were usually those financial aid officers who exhibited the best understanding of the application process during the initial round of reviews and one or two regional officers. The actual review consisted of reviewing the original submission along with the appeal and any other information available in the files of the regional office. A decision was rendered and notifications were prepared by the regional office and forwarded to the institution and USOE Central.

The national appeal board is comprised of 25 members: one financial aid officer representative from each region (these individuals are selected by the regional offices); one regional officer from each region; and five members of the USOE Central office. Panelists are again divided into subpanels each consisting of both OE staff members and financial aid officers. The regional offices submit 5 copies of the following documentation for those institutions which have appealed the regional decision:

- original application (showing any notations made by the panel);
- all data used in arriving at the original Regional review recommendation;
- Notification of Regional Review Action;
- institution's appeal letter and any accompanying materials;
- Notification of Regional Appeal Action;
- any additional correspondence between the institution and the regional office; and

- National Appeals Presentation Form (Exhibit 5.1) used as a summary sheet to provide the panel members with a quick overview of the case before them, i.e., cases where negotiations between the institution and the regional office took place during the regional appeal process, the final institutional appeal and regional appeal recommendations are recorded on the presentation form.

These data, along with the school's appeal, are distributed to subpanels such that anyone involved in a previous review of the application (i.e., as a member of the regional panel) is excluded from the subpanel. Each subpanel reviews applications from regions other than those represented by the persons serving on that subpanel.

Each appeal subpanel consists of a chairman (central office employee), institutional financial aid officer(s), and regional program officer(s), acting as a voting committee. The exact number of persons per subpanel is determined as soon as the number and distribution of national appeals is known.

The subpanels review all information and determine whether or not to uphold the regional office's decision. In the absence of unanimous agreement in the subpanel, an appeal is considered by the full panel, except that no person who participated in the regional review and/or regional appeal review of an application can participate in the full panel national appeal review of that application. Anything other than a unanimous vote within the subpanel, with no abstentions, is decided by the full National Appeals Panel. A recommendation is made by the full National Appeals Panel on the basis of a majority vote. In general, the national board upholds the decision reached at the regional level. A reversal of the decision is very unlikely.

Each subpanel has a recorder who is responsible to take notes on the decision process to substantiate the National Appeal decisions. The regional program officer on each subpanel is responsible for completing the Notification of National Appeal Action. This sheet is then signed by each of the voting subpanel members to document his concurrence with the recommendation. Institutions are notified

EXHIBIT 5.1: NATIONAL APPEALS PRESENTATION FORM FOR FUNDING FOR AWARD PERIOD 1978-79

Name of Institution ______________________ CSGB Serial Number __________

Address (City, State) ______________________

	Original Request	Regional Review Rec.	Institutional Appeal	Regional Appeal Rec.	*National Appeal Rec.
NDSL - LOL Total	$	$	$	$	$
Formula Limit	$	$	$	$	$
Augmentation	$	$	$	$	$
NDSL - FCC	$	$	$	$	$
CWS - Federal Funds Total	$	$	$	$	$
Formula Limit	$	$	$	$	$
Augmentation	$	$	$	$	$
SEOG - Initial Total	$	$	$	$	$
Formula Limit	$	$	$	$	$
Augmentation	$	$	$	$	$
SEOG - Continuing Total	$	$	$	$	$
Formula Limit	$	$	$	$	$
Augmentation	$	$	$	$	$

*To be completed during National Appeals process.

of the National Appeals Panel action on a standard notification form prepared in Washington during the week of the meeting. These forms are then delivered to the regional offices for transmittal to the institutions, along with a letter signed by the appropriate regional staff member.

By institution type, what percentage of institutions filed regional appeals? National appeals?

Over the last two years, approximately 1,100 schools filed a regional appeal, of which only about 300 schools reached the national review board. As shown in Table 5.1, however, the proportion of schools appealing the panel's decision exhibits dramatic variation among the regional offices. Although at this time it is not possible to give a definitive explanation for these differences, discussions with regional office personnel have indicated that much of the variation can be attributed to differences in the mix of types of institutions in each region. For example, as shown in Table 1.1, and provided below, the regions differ significantly with regard to the proportion of Proprietary schools:

Region	Proportion of Proprietary Schools	Rank Order	Proportion of Institutions Submitting Regional Appeal	Rank Order
I	28.6	--	N/A	--
II	33.2	7	16.9	6
III	38.2	5	17.7	4
IV	25.1	9	8.8	9
V	34.7	6	14.8	7
VI	45.3	2	19.1	3
VII	30.8	8	20.0	2
VIII	39.8	4	12.5	8
IX	54.7	1	22.6	1
X	43.2	3	17.0	5

Clearly, this one variable does not account for all of the variation in regional appeals but the obvious concordance between the rank orderings does tend to support this hypothesis.

TABLE 5.1: NUMBER OF REGIONAL AND NATIONAL APPEALS FILED BY REGION, FY 1977-78

Region	Number of Applications	Regional Appeals		National Appeals	
		Number	%	Number	%
I	304	N/A	-	N/A	-
II	449	76	16.9	11	2.4
III	436	77	17.7	13	3.0
IV	770	68	8.8	21	2.7
V	735	109	14.8	24	3.3
VI	425	81	19.1	14	3.3
VII	230	46	20.0	5	2.2
VIII	200	25	12.5	2	1.0
IX	530	120	22.6	15	2.8
X	170	29	17.0	8	4.7
Totals (Excl. Region I)	3,944	631	16.0	113	2.9

For each region, what is the cost to the Federal Government of the appeals procedures?

Costs were not available from each region; however, for those supplying the information, the expenses incurred ranged between $35 and $45 per appeal for the regional review and about $650 per region for the national appeal board.

6

COMPLIANCE WITH FEDERAL REGULATIONS: PROGRAM REVIEWS

What is the purpose of a program review?

The program review is the primary method employed by the U.S. Office of Education (the other method, audits, are conducted by either the DHEW Audit Agency, GAO, or an outside private auditor) to ensure that schools are complying with Federal regulations. The focus is on monitoring for program compliance and, where problems are detected, to recommend improvements based upon both specific regulations and the program officer's broad experience with a diversity of institutions. As formally stated, the program review effort is designed to fulfill two broad, and often overlapping, missions:

- to determine if the institution being reviewed has operated the programs and provided the appropriate stewardship of the Federal monies involved as required by statute and/or regulation;
- to determine, disseminate, and encourage good institutional management practices which are applicable to the individual institution and which may assist the institution in improving its management of Federally-funded programs.

A program review is usually a more limited diagnostic tool than a comprehensive and in-depth audit of the institutional records. A review is expected to produce a statement indicating whether or not student accounts are generally being maintained and whether Federal monies are generally being correctly distributed to the proper accounts. The program officer reviews enough records to be able to make a professional judgment that the institution is generally administering the program properly, or in the case of improper administration, possesses documentation of such improper practices.

Who conducts the program reviews?

Reviews are conducted by both the Central and regional offices of USOE's Division of Program Review and Certification. The regional offices conduct reviews up to a quota based upon their total staff size and the Central Office is responsible for the overflow and any serious problem cases which the regional offices are unable to resolve.

As will be discussed below, the program review is intended to be a comprehensive evaluation of the institution's operating procedures. Although the attempt has been made to develop an objective procedure which can be applied consistently across all of the regional offices, the actual program review process is necessarily a rather subjective undertaking. As pointed out in the Program Review Guide (see Appendix F), a proper review involves a program officer exercising an understanding of complex regulations, individual judgment, communicative skill and managerial capability. The demands upon the program officer in these areas vary widely with size, type, control, purpose and goals of the individual institutions being reviewed. Furthermore, the guide states that the reviewing officer must possess an in-depth knowledge of all of the financial aid programs, of good institutional managerial practices and must possess the ability to recognize the appropriate flow of the process and application of this knowledge within the institutional organization.

However, as indicated by the regional offices, the review guide, while it points out the areas which are to be examined, does not (and probably could not) provide the skills necessary to uncover cases of mismanagement or outright fraud nor does the guide provide the program review officer with the insight needed to recommend ways to correct and/or improve the existing system. Therefore, as noted almost universally by those interviewed in the regional offices, the key to a good program review are the skills of the individual officer.

In recognition of this concern, the Central Office's Division of Training and Dissemination developed and implemented a training program for program officers. Conducted in San Francisco, the program brought together regional personnel from each of the ten regions and included a test of financial aid program knowledge. Prior to conducting a program review, each regional officer had to pass the examination in order to demonstrate a minimum level of competence with regard to the regulations governing each of the student financial assistance programs. Although exact figures are not available, a significant number of those tested failed to achieve a passing grade on the examination and had to be retested at a later date in order to be certified to conduct a program review.

In general, the reaction of the regional office staff to the San Francisco training session was negative. They view the effort as far too superficial and simply not useful as a means of training someone to conduct an effective program review. Furthermore, many respondents found the competency examination to be poorly designed (e.g., some questions were ambiguous and could be answered differently depending on one's interpretation) and not an accurate indication of an individual's ability to conduct a review.

Alternatively, some of the regional offices have developed their own formal internal staff training programs while the others depend heavily upon a more informal on-the-job training effort (i.e., new staff members accompany the more experienced program officers on site visits to a broad range of institutions before they are allowed to operate independently). The choice of methods is primarily a function of the availability of staff. Regions which have separate training divisions tend to focus more on formal mechanisms while the remaining offices are forced, by a lack of personnel, to employ the less formal training methods. However, regardless of the procedure used, the feeling is that the training provided by the Central Office is far inferior to that which the regions can do for themselves.

How are institutions selected for a program review?

Although most regions feel that they can best determine which institutions should receive a program review, the current process is for the regional offices to select 80 percent of their reviews from a list prepared by the Central Office of Program Review and Certification and to select the remaining 20 percent using locally developed criteria.

The basis on which the majority of institutions are selected for a program review is a system which designates schools that may have special problems by using a set of pre-selected weighted factors[1/] (see Exhibit 6.1). All institutions are evaluated using these factors and ranked according to their total score. Each region is then sent a copy of a computer generated listing of the ranked institutions for use in selecting those qualifying for a program review. Those institutions scheduled for DHEW audit are designated as such on the printouts and are not scheduled for a program review until the Audit Agency has completed its audit.

With regard to locally developed criteria, the following are typical reasons reported by the regional offices to select institutions for program reviews under the 20 percent regional office quota:

- school is closing--need to obtain all records and promissory notes prior to actual closing;
- new schools entering the Campus-Based programs;
- have received information about problems, e.g., through student complaints or during training sessions;
- new financial aid officer;
- in the case of those regions which face high costs of travel (e.g., Region X, which includes Alaska), attempts are made to combine program reviews with training locations and when resources are limited to confine program reviews to institutions within driving distance of the regional office; and
- poorly prepared FISCOPS and/or applications.

Each region is required to perform 2.5 program reviews per month for each member of its Program Review and Certification Division, including secretaries and clerical staff. For example, if the

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[1/] These were developed by the Central office of USOE, Division of Program Review and Certification in conjunction with the Regional Administrators for Student Financial Assistance.

EXHIBIT 6.1: PROGRAM REVIEW SELECTION CRITERIA

		Values
1.	Average BEOG scheduled award is 20% or more over mean for that type of institution	4
2.	Percentage BEOG recipients represents at least 80% of total enrollment	3
3.	No BEOG recoveries reported for past 2 years	4
4.	Non-response on June Progress Report	3
5.	Deobligated more than 20% of current BEOG authorization	2
6.	For 10% or more of recipients, enrollment date is January 1 or later; BEOG expected disbursement = Scheduled Award	5
7.	Late or Non-response on FISC-OP Report	2
8.	Poorly prepared FISC-OP Report	3
9.	Poorly prepared Tri-Partite	3
10.	Non-response on NDSL Default Report (574)	3
11.	NDSL default rate greater than 30%	5
12.	Delinquent 207 (NDSL ICC) loan	4
13.	High GSL default rate	4
14.	Audit exceptions in SFA management	3 to 5
15.	Eligibility actions (terminations, etc.)	2 to 4
16.	5 or more student complaints received	3
17.	Delinquent Higher Education Facilities Loan	2
18.	Referral from FBI, OI, HEWAA, Regions, and Compliance	4

division consists of four people, the office is required to conduct 10 program reviews per month.

By OE Region, what is covered in a program review?

The general approach is to use the Program Review Manual developed by the Central Office of Program Review and Certification. However, one region expressed strong negative feelings about the procedures recently developed by the Central Office and indicated that they have not adopted the use of the recommended methodology. They use their own discretion in selecting institutions, deciding what constitutes a program review, and in determining the disposition of any problems which may be uncovered. It is their belief that their experience cannot be replaced by objective guidelines and criteria.

A number of regions indicated dissatisfaction with the current program review guide. It is the general feeling that to properly evaluate a school's program, an effective review must go well beyond the guide. The guide only identifies a certain range of problems which may exist and a good review must further explore the institution's operations in order to find the causes of these problems. Only in this way can the program review officer recommend procedures to correct any deficiencies.

In addition, the guide excludes certain areas (such as many fiscal matters) and it is believed that, as a result, a school can pass the review and still have a substantial liability. Furthermore, while the review guide addresses each area equally, the selected institution will most likely have a program mix which calls for a greater emphasis on one or more programmatic areas. For example, if a school had total NDSL funds of $5,000 and total SEOG funds of $200,000 a program review should place greater emphasis on an examination of the institution's SEOG program.

Finally, the regional offices view the program reviews from a distinctly different perspective than the Central Office. While the latter place major emphasis on ferreting out abuse, the regional offices see their efforts as being mainly one of training financial aid officers.

The following provides a more detailed description of the methodology recommended for the conduct of a review abstracted from the OE Program Review Guide.

PREPARATION FOR A PROGRAM REVIEW

Institutional Contact

For standard program reviews, prior notice of the upcoming review is given to the institution in order that appropriate records can be made available, required meetings may be scheduled, adequate working space requested, and the general purpose of the review explained. This is accomplished by means of both a telephone call either to the President or the Financial Aid Officer and a formal written notice (see Exhibit 6.2).

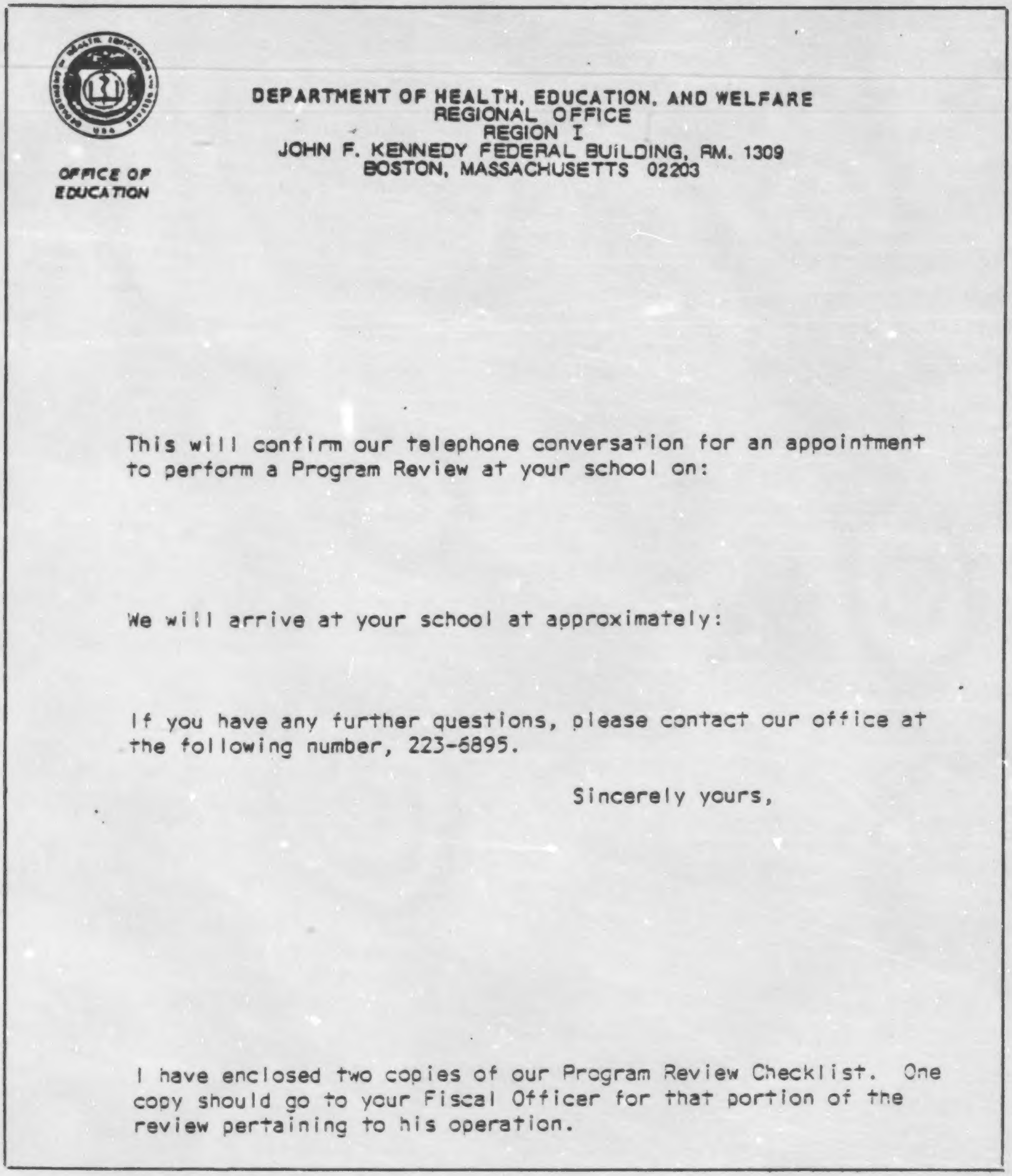
Internal Preparation

Prior to the actual site visit, any available information pertaining to the institution is reviewed by the program officer which may show areas in the institution's management that may need special attention. Typical items used include:

1. DEAE institutional file
2. Accrediting agency guidelines
3. Applications for funding
4. SERs
5. BEOG disbursement folder
6. Fiscal-Operations Report/NDSL Default Report
7. Student Confirmation Report
8. DFAFS records
9. Previous site visit reports
10. Audit reports and communications
11. Consumer complaints

Where information is not available in the regional office, advance requests are sent to the Central Office for any needed information.

EXHIBIT 6.2: PROGRAM REVIEW NOTICE LETTER



OFFICE OF
EDUCATION

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGIONAL OFFICE
REGION I
JOHN F. KENNEDY FEDERAL BUILDING, RM. 1309
BOSTON, MASSACHUSETTS 02203

This will confirm our telephone conversation for an appointment to perform a Program Review at your school on:

We will arrive at your school at approximately:

If you have any further questions, please contact our office at the following number, 223-6895.

Sincerely yours,

I have enclosed two copies of our Program Review Checklist. One copy should go to your Fiscal Officer for that portion of the review pertaining to his operation.

PROGRAM REVIEW PROCESS

Upon arrival at the institution the review begins with an entrance interview with the President and/or other officers. This interview establishes the purpose and requirements of the Office of Education, and covers most of the items discussed in the initial institutional contact.

After the completion of data collection, the program officer conducts an exit interview with the President, Financial Aid Officer, Fiscal Officer and any other involved institutional personnel. This meeting serves as a "summary" of findings and attempts to indicate the problems and recommendations which will appear in the formal written report.

During the exit interview, the program officer identifies weaknesses in program management and suggests possible ways to make improvements. Strengths in program management are also mentioned in order to provide a balanced picture. In situations where the program officer has discovered serious program violations, the seriousness of the problems are conveyed to institution officials. Statements regarding corrective action in these instances are more cautious since they may be subject to modification by a higher OE official.

SUGGESTED TECHNIQUES FOR THE CONDUCT OF A PROGRAM REVIEW[1/]

There are important institutional characteristics, such as educational quality and adequacy of facilities, which are technically not within the scope of a review conducted by the Bureau of Student Financial Aid Program Officers. However, the program officer is advised to be aware of any such factors which may serve as an indicator of the institution's approach to program administration. Examples of such observations include the following:

- adequacy of facility size and maintenance;
- general institutional organization and staffing; and the

[1/] A detailed description of the contents of a program review can be found in Appendix F.

- financial condition of the institution including,
    - a) volume of Federal student financial aid funds,
    - b) percentage of total institutional income represented by Federal student financial aid funds, and
    - c) institution's current ratio of cash and short-term assets to the short-term liabilities.

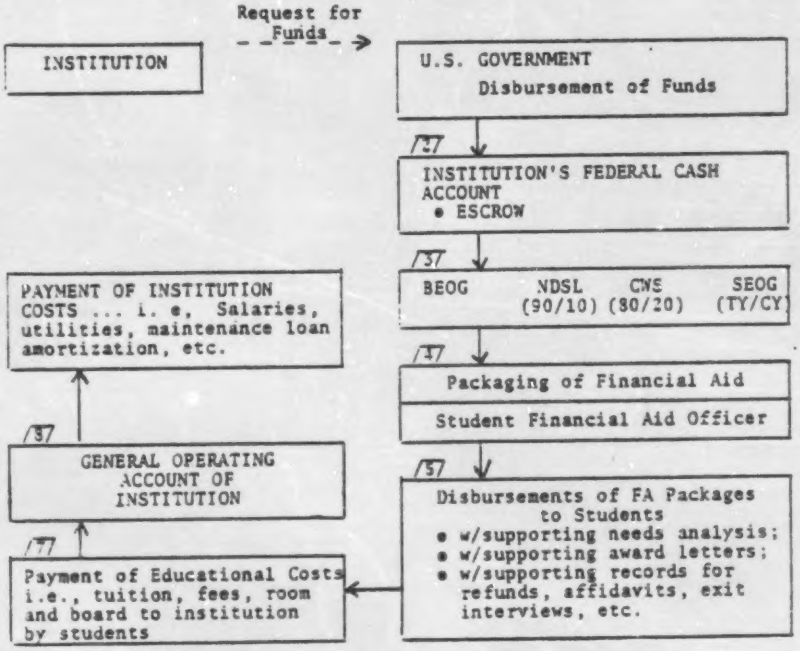
The program officer is advised to ask about the availability of documents which cannot be verified during the course of the review, such as Terms of Agreement and copies of regulations. Although it is not necessary to verify the existence of all these documents, an examination to see if one or more are actually on file is a method of checking on the official's actual knowledge of these documents.

Certain documents such as the catalog, enrollment agreements and written refund policies, are also obtained early in the review, and provide valuable reference documents in comparing the institution's actual operating practices to its public representations. Further, "cross-referencing documents" are used to verify the bookkeeping and reporting information. Examples are as follows:

- BEOG disbursements listed on the student validation roster can be compared to the student ledger subsidiary accounts to verify accuracy of institutional reporting to USOE;
- the aggregate amounts reported for BEOG expenditures for a particular year should be the same on the DFAFS Quarterly Report, for the third quarter of the fiscal year and the student validation roster;
- deposit slip amounts should match the cash requests and Treasury check amounts for institutions on the monthly cash request payment system;
- the institution's ledgers for prior years should reflect expenditure totals which match expenditures reported on DFAFS reports, final BEOG Progress Reports and the Fiscal Operations Report;

- bank statements from the institution's Federal cash account can be compared with the records of deposit or entry into the individual program accounts (bank or ledger) to assure that the Federal funds are all being passed through the proper accounts before disbursement; and
- CWS--a comparison of the time cards against a student's course schedule could reveal a case where the student may not actually be working (or attending a course counted in the student status determination).

The diagram below, the "Eight Steps to Leaving Audit Trails." is provided to program officers to help identify an appropriate system for an institution to utilize in accounting for the proper disbursement of OE funds. By systematically following the chronological order of these eight (8) essential steps, the institution is considered to be in compliance with those sections of Title 18 of the U.S. Code which deal with embezzlement and theft of Federal funds. Any accounting system utilized by an institution receiving OE program funds which bypasses or omits one of the eight steps warrants further investigation.


Request for Funds
INSTITUTION
U.S. GOVERNMENT
Disbursement of Funds
/2/
INSTITUTION'S FEDERAL CASH ACCOUNT
• ESCROW
/3/
BEOG
NDSL (90/10)
CWS (80/20)
SEOG (TY/CY)
/4/
Packaging of Financial Aid
Student Financial Aid Officer
/5/
Disbursements of FA Packages to Students
• w/supporting needs analysis;
• w/supporting award letters;
• w/supporting records for refunds, affidavits, exit interviews, etc.
/7/
Payment of Educational Costs i.e., tuition, fees, room and board to institution by students
/8/
GENERAL OPERATING ACCOUNT OF INSTITUTION
PAYMENT OF INSTITUTION COSTS ... i. e, Salaries, utilities, maintenance loan amortization, etc.

Student attendance records are reviewed and used to verify:

- withdrawal dates;
- application of the institution's good standing and satisfactory progress standards;
- disbursement records to insure that the students were properly enrolled and attending when payment was made; and
- student status--to verify student's attendance in all the courses counted in the determination of full-time or part-time status.

While examining procedures for award notification and need analysis, the reviewer is to see that the actual or expected BEOG is taken into consideration and listed as appropriate.

When reviewing prior years, the reviewer is to see that applicable regulations or requirements which may no longer be in effect are taken into consideration such as:

- for Basic Grants, 1973-74 through 1975-76, eligibility was restricted to students who were not enrolled in an eligible post-secondary institution prior to April 1973; and
- for GSL, prior to 10/12/76, a power of attorney had to be secured from the student in order for a check to be made out to the instituion.

The program officer is advised to offer assistance to institutional officials with regard to the following operations and reports:

- calculation of NDSL interest;
- DFAFS reporting requirements and payment system;
- NACUBO manual (Blue Book);
- definition of student resources;
- application and processing systems of the individual programs;
- student validation requirements procedures; and
- eligibility requirements (e.g., change in ownership, termination, and closing).

There are situations in which the reviewer is advised to ask the same questions of several institutional officials as a verification technique. This may be particularly useful when verbal answers are not readily verifiable from an examination of the records.

Student interviews are also to be conducted whenever possible. From these interviews, information contained in student files can be verified and some important aspects of the institution's operations and attitudes uncovered.

PROGRAM REVIEW REPORT

If an institution is determined to be out of compliance during the review, certain corrections can be made prior to the time of the exit interview. Cases of mismanagement (fraud/abuse) are turned over to the regional office's Compliance Division while serious cases are referred to the Central Office for disposition along with recommendations for corrective action based upon their more intimate knowledge of the individual institution. Reviews which uncover an uncorrected prior problem (found either through an audit or previous program review) can result in the impoundment of funds and records or even immediate involvement of the F.B.I.

At the conclusion of a program review, the Program Officer is responsible for preparing a program review report which communicates the relevant findings of a review relating to any problems the institution may be having with the administration of student financial aid programs. Utilizing the information obtained from the program review (i.e., work sheets and the completed field document, Exhibit 6.3) the reviewer has 30 days to prepare a written report. A review finding no program administration exceptions, or exceptions only in Classes I and II (see Appendix G, Taxonomy of Program Abuse) results in a letter confirming the findings and instruction given to the institution's officials during the exit interview. No regulatory citations are necessary. Typically, all discrepancies must be resolved within 30 days of receipt of the Program Review report for major problems and within 60-90 days if the problem is less serious. In some cases, where the cost of recovering misused funds is excessive, the school may simply be allowed to "start over" correctly.

EXHIBIT 6.3: EXAMPLES OF PROGRAM REVIEW FIELD DOCUMENTS

I. Summary Site Information

INSTITUTION IDENTIFICATION:

INSTITUTION ______________________ EIN# ______________________

ADDRESS ______________________ FAO phone ( ) ______________________

______________________ Fiscal Officer ( ) ______________________
zip

TYPE (Circle): 1 - University (or graduate or professional school)
2 - Other 4 year (B.A. Degree granting)
3 - 2 year
4 - Area Vocational-Technical school
5 - Other: ______________________

CONTROL (Circle): 1 - Public
2 - Private, Non-profit
3 - Proprietary

ACCREDITATION BY: ______________________

ENROLLMENT: Current Year __________ Preceding Year (Tri Part): __________
FULL-TIME UNDERGRADUATE __________ __________
PART-TIME UNDERGRADUATE __________ __________
FULL-TIME GRADUATE __________ __________
PART-TIME GRADUATE __________ __________
% OF DROPOUTS __________ __________
% OF N.H.S. GRADUATES __________ __________

Programs Reviewed	Year Entered Program	Estimated # Students Current Year	Current Year Award (FCC)	Current Expend. To Date	# Students Preceding Year (Fis.Op)	Previous Year Expenditures (Fis. Op.)
CWS						
NDSL						
SEOG						
BEOG						

DATE OF REVIEW ___ / ___ / ___ REVIEWER ______________________
Print/Type NAME

Maintenance of Level-of-Effort: Established 3-year average $ __________

STAFFING:

	# of years in position	% of time in F
Director, Financial Aid:		
Associate Director:		
Assistant Director:		
Counselors Indicate: # Type:		
Other - Indicate: # Function:		
Clerical - Indicate: # Function:		
Student Employees Indicate: #		

EXHIBIT 6.3: (Continued)

PROGRAMS SUPERVISED BY DIRECTOR (check):

CWS____ NDSL____ SEOG____ BEOG____ GSL____ VSAF____ NURSE____
HEALTH____ LEEP____ PLACEMENT____ V.A.____ B.I.A.____ EOP____
OTHER STATE PROGRAMS____ SCHOLARSHIPS____ INSTITUTIONAL LOANS____
OTHERS____________________

ADEQUACY OF FACILITY:

	(YES)	(NO)
Areas available for private counseling		
Waiting area adequate for student traffic		
Student files away from general traffic		
Sufficient desks and tables for staff		
Sufficient typewriters, calculators, etc.		

ADEQUACY OF PROGRAM MANAGEMENT:

	Outstanding	Average	Poor
1. Financial Aid Office			
a. Complies with statutes/regulations			
b. Meets general regional guidelines			
c. Serves students efficiently			
d. Serves students effectively			
e. Program fund utilization			
f. Financial aid packaging efficiency			
g. Financial aid fund control			
2. Fiscal Office			
a. Complies with statutes/regulations			
b. Meets general regional guidelines			
c. Serves students efficiently			
d. Serves students effectively			
e. Record Keeping			
f. Program fund controls			

INTERVIEWS CONDUCTED DURING PROGRAM REVIEW:

Administrative Officer: ____________________

President: ____________________

Financial Aid Director: ____________________

Fiscal Officer: ____________________

Other: ____________________

____

____

____

EXHIBIT 6.3: (Continued)

Student Name ____________________ Soc. Sec. No. ____________

Program Enrolled in ____________________ Length ____________

Enrollment Date for Current Academic Year ____________ Year in BEOG Program ____________

High School Diploma ____________ Citizen or Permanent Resident ____________

* *

SER

Cost of Education on SER ____________

Breakdown:

Tuition & Fees ____________

Room & Board ____________

Miscellaneous ____________

Eligibility Index ____________

Scheduled Award ____________

Expected Disbursement ____________

Award calculated correctly? ____________

Fulltime ______ 3/4 Time ______ ½ Time ______

Data reported by student appears to be reasonable? ____________

Attendance confirmed before disbursement? ____________

Student Affidavit signed? ____________ Notarized? ____________

* *

DISBURSEMENT

Disbursement Method : By check to student ____________ By credit to account ____________

Payment	Date	Amount	Signed Receipt
1			
2			
3			
4			
5			
6			
Total			

REFUNDS

Date of withdrawal ____________

Tuition refund to student $ ____________

BEOG recovery $ ____________

Calculated correctly? ____________

Recovery entered in:

Basic Grant Cash Account ____

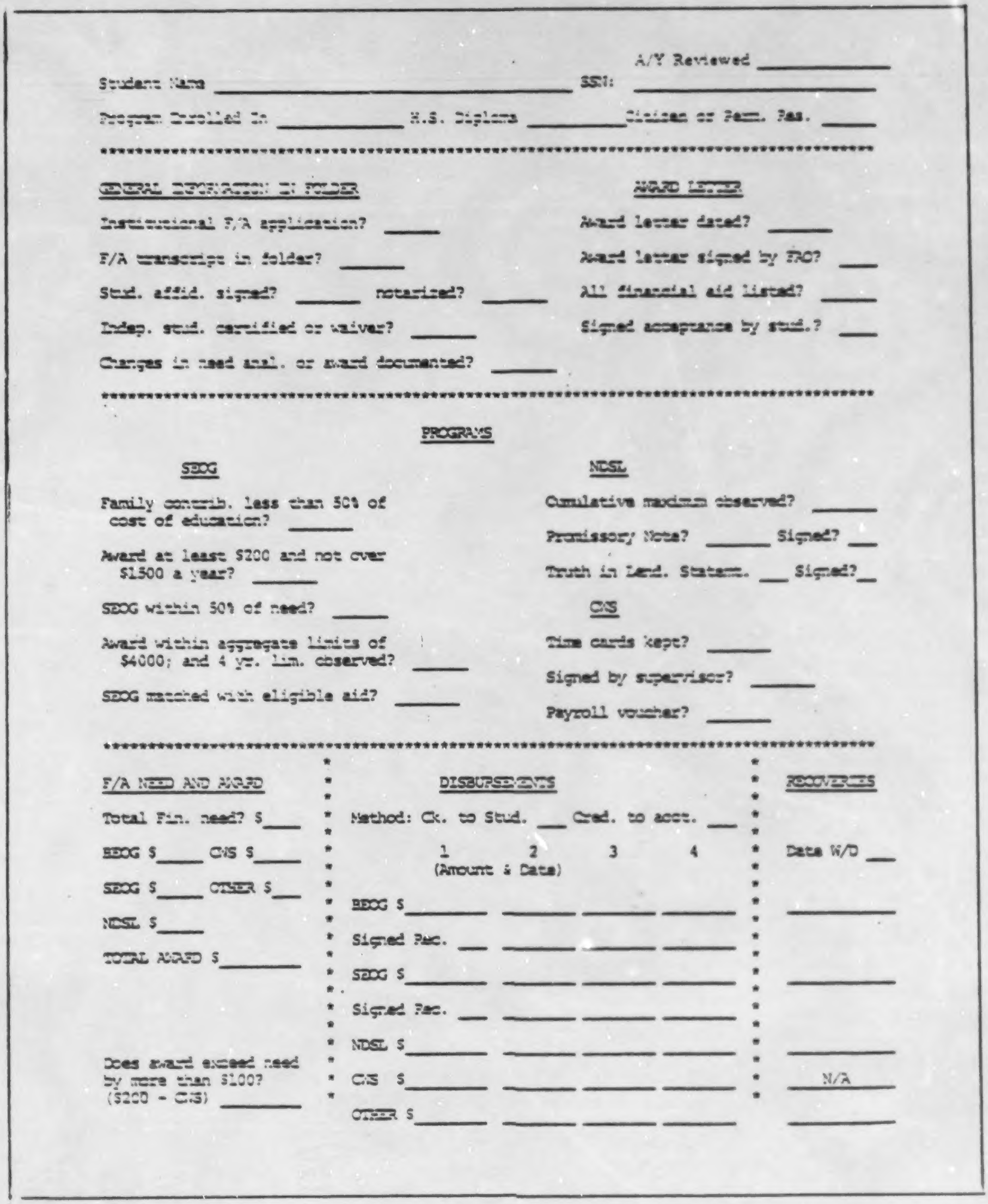
Progress Report ____________

* *

Comments: ____

Initials of reviewer ____________

EXHIBIT 6.3: (Continued)



A/Y Reviewed ____________

Student Name ______________________________ SSN: ______________

Program Enrolled In __________ H.S. Diploma ________ Citizen or Perm. Res. ____

****

GENERAL INFORMATION IN FOLDER

Institutional F/A application? _____

F/A transcript in folder? _____

Stud. affid. signed? _____ notarized? _____

Indep. stud. certified or waiver? _____

Changes in need anal. or award documented? _____

AWARD LETTER

Award letter dated? _____

Award letter signed by FAO? ___

All financial aid listed? ____

Signed acceptance by stud.? ___

****

PROGRAMS

SEOG

Family contrib. less than 50% of cost of education? _____

Award at least $200 and not over $1500 a year? _____

SEOG within 50% of need? _____

Award within aggregate limits of $4000; and 4 yr. lim. observed? _____

SEOG matched with eligible aid? _____

NDSL

Cumulative maximum observed? _____

Promissory Note? _____ Signed? __

Truth in Lend. Statemt. __ Signed?__

CWS

Time cards kept? _____

Signed by supervisor? _____

Payroll voucher? _____

****

F/A NEED AND AWARD

Total Fin. need? $____

BEOG $_____ CWS $_____

SEOG $_____ OTHER $___

NDSL $_____

TOTAL AWARD $________

Does award exceed need by more than $100? ($200 - CWS) ________

DISBURSEMENTS

Method: Ck. to Stud. __ Cred. to acct. __

	1 (Amount & Date)	2	3	4
BEOG $	________	________	________	________
Signed Rec.	__	________	________	________
SEOG $	________	________	________	________
Signed Rec.	__	________	________	________
NDSL $	________	________	________	________
CWS $	________	________	________	________
OTHER $	________	________	________	________

RECOVERIES

Date W/D __

____

____

____

N/A

____

EXHIBIT 6.3: (Continued)

CHECKLIST FOR STUDENT CONSUMER INFORMATION

The February 20, 1975, and December 1, 1977 issues of the Federal Register contain final regulations specifying the items of information which educational institutions participating in the Guaranteed Student Loan program and/or the campus-based federal student financial aid programs (CWS, NDSL, and SEOG) must make available to students and prospective students.

The following checklist may aid you in the review of student information publications at your institution.

Required Financial Aid Information

- _____ Descriptions of all student financial aid programs available to students enrolled at your institution, including:
  - _____ all federal financial aid programs
  - _____ state financial aid programs
  - _____ institutional financial aid programs
- _____ Descriptions of the procedures and forms used in applying for financial aid
- _____ Student eligibility requirements
- _____ Criteria for selecting recipients from a group of eligible applicants
- _____ Criteria for determining the amount of an applicant's financial aid award
- _____ A statement of the rights and responsibilities of students who are receiving financial aid
  - _____ Criteria for continued eligibility for each program:
  - _____ Criteria for determining that a student is in good standing and is maintaining "satisfactory" progress in his/her course of study
  - _____ Process by which a student who is not in good standing may re-establish financial aid eligibility.
- _____ The means by which payment of the award will be made to students
- _____ The frequency of payments
- _____ The terms of any loan received by any student as part of his/her financial aid
- _____ Sample loan repayment schedules for sample loans
- _____ The general terms and conditions applicable to any employment provided a student as part of his/her financial aid
- _____ Cost of attending the institution:
  - _____ tuition and fees
  - _____ books and supplies
  - _____ estimates of typical room and board
  - _____ transportation costs for students living on-campus, off-campus or at home
  - _____ any additional costs of the program in which the student is enrolled or expresses a specific interest
- _____ Refund policy used in determining unearned tuition and fees or other refundable portions of the cost which have been paid to the institution
- _____ Title and location of the person to contact at the institution for further information about financial aid

Other Required Information

- _____ Descriptions of the academic programs offered by the institution
- _____ Descriptions of the physical facilities of the institution
- _____ Data on student retention and completion in specific programs
- _____ Employment and salary information on graduates of programs which prepare students for specific vocations, careers, or trades

EXHIBIT 6.3: (Continued)

NDSL WORKSHEET

NDSL Student	Principal	Balance	Amount Past Due	Date Past Due	Promissory Note	Truth in Lend.	Exit Interview	Repayment Sched.	Due Diligence	REMARKS

A review which uncovers findings in Classes III-VI requires a more detailed and rigorous report. This report is narrative in form and under each finding, a specific example(s), is given with citations for the applicable program regulations. The recommendations for action are to be clearly related to the appropriate finding so that the institution will understand both the requirements and underlying reasons for such requirements. This report is to be completed within 30 days of the review and the institution's response must again be submitted 30 days after receipt of the report.

A special copy of the report or letter is prepared with the appropriate audit codes (Appendix H) placed in the margin beside each finding. If the report is prepared by a regional officer, the annotated report is submitted to the Program Review Branch, Division of Certification and Review, in Washington, D.C. A copy of Central Office review reports are transmitted to the appropriate regional office. This information is necessary for the combined audit-program review/program abuse information system being implemented in DHEW.

FOLLOW-UP ON INSTITUTIONAL RESPONSE

The transmittal of the report of the program review normally requests a response within 30 days of receipt. In the event that a response is not received within the specified time period, with all due considerations given, the institution is contacted and the reason for non-submission of a response ascertained. In a small number of cases the reason for lateness may be unwarranted. Regional office staff must determine whether a request to the Director, Division of Certification and Program Review for an Emergency Action under the LS&T authority is appropriate in these circumstances.

Once the institutional response is recieved, it is reviewed carefully to ensure that all recommendations are adequately treated.

Institutions with No Major Exceptions Cited

If the institutional response is considered adequate and reasonably in compliance with the recommendations in the report, then the case may be closed. The institution receives a brief letter confirming that all requirements have been met.

If additional information or clarification is needed, the reviewing officer must follow through with the institution until a satisfactory response is negotiated and the case can be closed. All correspondence and conversation with institutional officials regarding the review are included in the institution's review file and copies are sent to the Program Review Branch (Washington).

Institutions with Major Exceptions Cited

The basic procedure of reviewing the response for adequacy and resonableness, documenting all converations and keeping copies of all correspondence in the institutional file is followed for instititutions with major exceptions cited. However, since the resolution of these reviews will undoubtedly be more complex and since some will result in institutional financial liabilities, a greater amount of diligence and effort on the part of the program officer is required in these situations.

A great many of these reviews may include the requirement for an independent audit to be conducted by the institution. It is the responsibility of the program officer in these cases to determine an appropriate completion date of the audit; and to be sure that the specific program procedures are being applied properly during the conduct of the audit. Also, coordination and consultation with the DHEW Audit Agency is usually necessary, since the audit must be accepted by the Agency before BSFA can be officially cognizant of the contents of that audit report.

The Compliance Division and the Office of Investigations may also be involved in a number of the institutional follow-ups and close coordination needs to be maintained with those offices to insure transmittal of the proper information.

In general, the institutional responses in these categories are to be scrutinized and wherever there is any question or justifiable reason to doubt a response, the reviewing officer requests supporting documentation from the school. As such, the resolution of reviews involving major exceptions often requires considerable modifications of standard procedures.

How long, on the average, does each review last? What is the average cost to OE of a program review?

In general, the time required on site per program review is about four days for a large university and approximately one day for a smaller proprietary school. In addition, one and a half days is normally required to prepare for the site visit (e.g., review old FISCOPs and applications for Campus-Based aid) and for travel to and from the school and two days are required to prepare the program review report.

Similarly, the size of the site visit teams vary by the type of institution and, in some cases, by the composition of the site visit team. That is, while the typical team consists of two review officers, three to four people can be used if either the school is large or complex and/or the site visit is being used to train newer personnel.

As a final point, it was noted by the regional offices that the estimate of the time required to conduct a program review is at variance with that developed by the Central Office. In the latter case, insufficient allowance was made for site visit preparation and report writing. As a result, since the quota which has been established is based upon an underestimate of the time required to conduct a program review, most regional officers are hard-pressed to meet this objective. In addition, it is their opinion that by attempting to meet what they believe to be an unrealistic quota the quality of the program reviews has, in many cases, been seriously affected.

By institution type, how many institutions had a program review in the last three fiscal years? What percentage of those institutions that had program reviews falls into each type of program review result?

The only comprehensive data currently available on the number of reviews conducted (see Table 6.1) is maintained by the USOE Central Office Division of Program Review and Certification for the period April 1 - June 30, 1978. Although the data only represent a portion of all the reviews which have been conducted, they do cover the busiest period of the year for program reviews.

As shown, Public institutions accounted for 21 percent of the program reviews, Private institutions for 30 percent, and Proprietary institutions for 49 percent. Similarly, universities and 4-year institutions represented 27 percent, 2-year institutions 32 percent, while those less than 2-years accounted for 41 percent of the total. Clearly, the major focus has been on the Proprietary sector and programs which are of less than 2 years in length.

With regard to the results of these program reviews, Table 6.2 provides both the frequency with which particular problems occur and the percentage of institutions found to have problems in each of the specific areas. Overall, 53 percent of the State controlled institutions, 32 percent of private-non-profit institutions, and 15 percent of proprietary institutions were found to have a problem in at least one area. The most frequently found problem areas were: deficient accounting records; improper disbursement of funds; loan collections; and, award calculation.

What special procedures, if any, are used in the handling of "problem institutions?"

The Office of Education has developed a new system for categorizing and handling institutions which are experience persistent

TABLE 6.1: PROGRAM REVIEWS CONDUCTED BY TYPE OF INSTITUTION AND REGION, APRIL 1 TO JUNE 30, 1978

Region	Public					Private					Proprietary					Totals
	University	Other 4-Year	2-Year	1 Year Less Than 2-Year	At Least 6 Months Less than 1 Year	University	Other 4-Year	2-Year	1 Year Less Than 2-Year	At Least 6 Months Less Than 1 Year	University	Other 4-Year	2-Year	1 Year Less Than 2-Year	At Least 6 Months Less Than 1 Year	
I	1		5				4	1						1		12
II			1											1		2
III		1	2										3	1	1	8
IV			2				9	1					2			14
V	1		8			4	13	3	2			1	2	2	7	43
VI							3	1					1	2	12	19
VII			3				4	3	2				2	3	3	20
VIII	1	1											2		1	5
IX			10			1	1	1				1	2	6	14	36
X			1				1							3	11	16
Totals	3	2	32	-	-	5	35	10	4	-	-	2	14	19	49	175

TABLE 6.2: RESULTS OF PROGRAM REVIEWS

	Frequency of Occurrence	Percentage of Problems[1] Found at Institutions Classified by Control		
		State	Private, Non-Profit	Proprietary
Major Problems				
Maintenance of Records	17%	54%	25%	21%
Student Eligibility	7%	70%	10%	20%
Award Calculation	10%	36%	43%	21%
Proper Accounting Records	18%	73%	19%	8%
No Written Procedures	8%	55%	45%	0
Improper Disbursement	15%	64%	27%	9%
Collections	11%	56%	25%	19%
Coordination Between Offices	5%	29%	71%	0
Minor Problems				
Fiscal Reports	1%	0	100%	0
Refund Policy	2%	33-1/3%	33-1/3%	33-1/3%
Validation of Information with Available Student Data	1%	50%	50%	0
Non-uniform Charges of Tuition and Fees	1%	50%	50%	0
Custody of Federal Funds	1%	50%	50%	0
Need to Segregate Personnel Duties	2%	33-1/3%	33-1/3%	33-1/3%
Need Additional Staff	1%	50%	50%	0
	100%			

---

[1] Institutions are generally found to have problems in more than one area. Therefore, the column sums will exceed 100 percent.

difficulties in implementing programs according to the law and the Federal rules and regulations. These programs have been previously labeled or identified as "Problem Institutions"; however, there has been no written criteria established, or used, in a consistent manner to classify these institutions. In general, the interest is to identify those institutions that are implementing programs outside the intent of the law; the Federal rules and regulations, and perhaps in a manner exhibiting fraud on the part of those responsible for the administration of program activity.

In response to this problem one of the regional offices visited, indicated that an effort was underway to establish criteria that must be met by an institution prior to its being labeled as a problem school and a set of procedures to be employed by USOE to deal with the special situation. The results, to date, are described below:

A) Classification Criteria: For an institution to be placed on or included in a "Special Concerns file" (Exhibit 6.4), one or more of the following criteria must be met:

(1) As a result of an official program review, with the concurrence of the program officer or officers conducting the review, the Section Chief responsible for the review, and the institution may be classified as a "Special Concern-High-Priority Institution," if the above are in evidence.

  (a) Knowledge or allegation of serious dysfunction of educational practice which is of a proportion which might jeopardized accreditation, not directly related to operation of SFA programs.

  (b) Gross mismanagement of student financial aid programs as defined by law, regulation and manual of good practice.

  (c) Knowledge of or suspician of intentional violation of the law or Federal regulations, i.e., fraud and abuse, suspicion of criminal activity.

(2) As a result of a CPA audit or an official DHEW audit, one or all of the three criteria in item one--(a,b,c) have been met.

EXHIBIT 6.4: CONTENTS OF SPECIAL CONCERNS FILE

(1) Name of Institution:
Address
City and State
Director of Program
Telephone Number
EIN Number

(2) Date the Concern was Filed with U.S. O.E., Region V.

(3) Assigned Program Officer Initiating the Entrance of Concern to the File.

(4) Describe the concern. Description of the concern should correlate with one of the criteria.

(5) Indicate documentation source indicating that criteria for inclusion has been met. (Check one or more, whichever is the most appropriate program).

Regular Program Review ___ Student Consumer ___ Institutional Official ___

CPA Audit ___ Newspaper-Other Publication___ Governmental Official ___

DHEW Audit ___ Concerned Citizen ___

(6) Program Area of Concern: (check one)

(a) General Administration ___

(b) Fiscal Administration ___

(c) BEOG ___

(d) SEOG ___

(e) NDSL ___

(f) CWS ___

(g) GSL ___

(7) Is fraud and abuse indicated? yes ___ no ___. (If yes, describe in detail).

(8) Have other agencies been contacted and brought in to deal with the issues involved? yes ___ no ___. (If yes, describe in detail).

(9) Activities implemented to dispose of the concern (activities now in progress should be recorded. The program officer responsible should initial the action and include the date the action was initiated.)

P.O. (a) ______________________________
date ______________________________

P.O. (b) ______________________________
date ______________________________

P.O. (c) ______________________________
date ______________________________

P.O. (d) ______________________________
date ______________________________

P.O. (e) ______________________________
date ______________________________

P.O. (f) ______________________________
date ______________________________

P.O. (g) ______________________________
date ______________________________

(3) As a result of written allegations by a newspaper, local, regional or national publication, or concerned citizens, one or all of the criteria listed in item one--(a,b,c) have been met.

(4) As a result of written allegations by or from institutional officials using SFA Federal funds, one or all of the criteria listed in item one--(a,b,c) have been met.

(5) As a result of written allegations by or from student consumers of Federal student financial aid funds, one or all of the criteria listed in item one--(a,b,c) have been met.

(6) As a result of written or telephonic allegations by or from state, local, or Federal governmental officials, one or all of the criteria listed in item--(a,b,c) have been met.

(7) In the event that documentation is forwarded to the regional office from one of the sources listed in items 2, 3, 4, 5, or 6, a section chief along with program officers, would determine the seriousness of the allegation and, if warranted, conduct an on-site review to certify or dispell the allegations. Telephone calls, fully documented from institutional officials, would not, in themselves, warrant a review but would be documented and reviewed to determine if a review should be conducted.

(8) For program officers to forward the content of a review that resulted in the meeting of the criteria to the Division of Compliance to DHEW Audit, to General Counsel to the FBI, or the U.S. Attorney's Office, the program officers, would first have to gain concurrence from the Section Chief, the Institutional Review Branch Chief, and the Assistant Regional Administrator for Student Financial Assistance. The above action, if completed, would necessitate the program being included in the Special Concern file.

(9) In practically all cases, if criteria 2, 3, 4, 5 and 6 were met, an on-site program review would be conducted, and the result of same fully documented, and a log intitated for inclusion in the Special Concern file.

(B) Disposition of Special Concerns:

(1) The assigned program Section Chief, upon determination that the criteria has been met, will initiate the completion of an "Institutional Special Concern Log" (Exhibit 6.5).

EXHIBIT 6.5: MONTHLY REPORT AND INSTITUTIONAL SPECIAL CONCERN LOG

Report prepared by: ______________________

Yr. ________

Month ____________

Approved by : ______________________
(Director)

Responsible Program Officer ______________________

____
(Assistant Regional Administrator

I	II	III	IV	V
Name of Institution	Entrance date of concern to file.	Type cf concern or concerns entered first time and program area.	Status of Activity	Comments
		(1a) Consistently misinterprets the intent and purpose of the law, rules and regulations. (1b) Improperly implemented a regulatory function critical to program operations. (1c) Intentional violation of the law, rules, regulations possible fraud.	(1) OE Program review recommended, (2) conducted, (3) further OE review underway, (4) OE negotiationa underway, (5) OE negotiation completed , (6) DHEW Audit recommended, (7) DHEW Audit underway, (8) DHEW Audit completed, (9) Compliance review requested (10) Compliance review underway, (11) Compliance review completed (12) Justice Review requested, (13) Justice Review underway , (14) Justice review completed, (17) Concern finalized-final report filed -file closed.	

The log is a calendar of events that, as completed, provides all concerned a chronological history of the activities or actions employed to deal with the concern or issue.

(2) The log, upon completion, will be forwarded to an assigned program officer and he or she will be responsible for the continuous and systematic maintenance of the log. The above individual will be responsible for updating the contents of the log on a monthly basis, and will contact program officers or Section Chiefs to secure information.

(3) The program officer responsible for the maintenance of the log will generate, from the data included in the log, a monthly report indicating the status of activity being employed to deal with the concerns included in the log. The monthly report will be forwarded to the Director of Program Review for his approval, and that individual, upon approval of the report, will forward the monthly report to the Assistant Regional Administrator for approval and inclusion in the official file.

(C) The Retention and Maintenance of the File:

(1) The assigned program officer responsible for the log will be solely responsible for same and will be solely responsible for the security and maintenance of the file. It will be made available to program officers and SFA administrative officials in the region. One secretary, only, will be assigned to complete the contents of the log. Officials outside the Division of Certification and Program Review may use the file only upon approval from the Regional Administrator or the Assistant Regional Administrator of Student Financial Assistance.

7

TRAINING

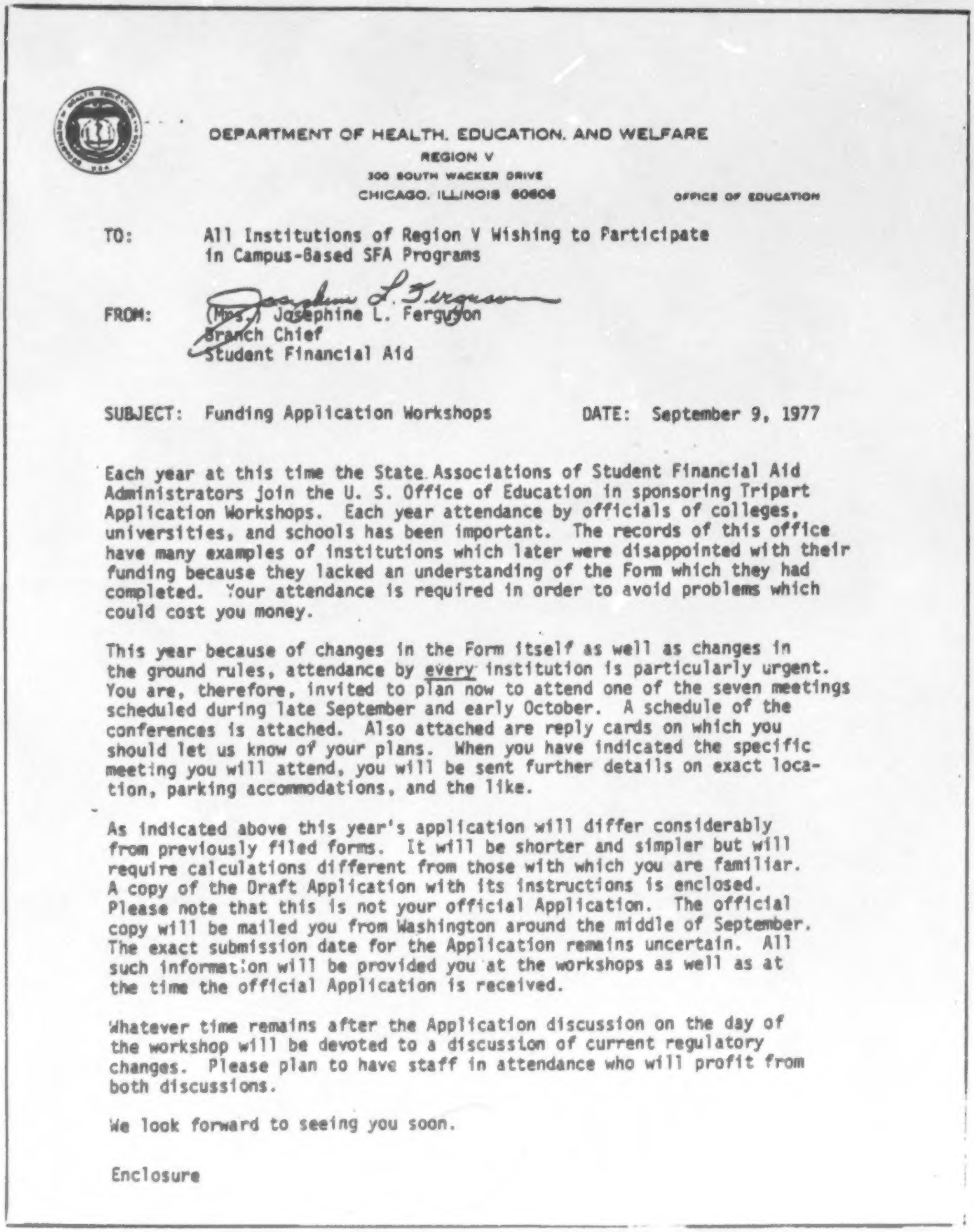
The training of financial aid officers by the Office of Education is divided into two components - efforts sponsored by the Central Office's Division of Training and Dissemination and those undertaken by the regional offices. The following sections describe each group's training programs.

> *How are institutional aid officers trained by OE to fill out the application forms? What are the costs to OE for such training? How do these costs vary by Region?*

Training related to the application forms has in the past been provided by the regional offices through a variety of sources - formal workshops, regional newsletters, attendance at State association meetings, and other informal contacts. However, since the reorganization and the adoption of the revised application form the training has been limited to the application workshops.

The application workshops are held during September and early October and are generally developed in conjunction with State and regional associations of student financial aid officers. Using lists provided by the individual associations, notices (see Exhibit 7.1) are mailed to all prospective attendees. In addition,

EXHIBIT 7.1: NOTICE OF TRAINING WORKSHOP



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGION V
300 SOUTH WACKER DRIVE
CHICAGO, ILLINOIS 60606
OFFICE OF EDUCATION

TO: All Institutions of Region V Wishing to Participate in Campus-Based SFA Programs

FROM: Josephine L. Ferguson
(Mrs.) Josephine L. Ferguson
Branch Chief
Student Financial Aid

SUBJECT: Funding Application Workshops DATE: September 9, 1977

Each year at this time the State Associations of Student Financial Aid Administrators join the U. S. Office of Education in sponsoring Tripart Application Workshops. Each year attendance by officials of colleges, universities, and schools has been important. The records of this office have many examples of institutions which later were disappointed with their funding because they lacked an understanding of the Form which they had completed. Your attendance is required in order to avoid problems which could cost you money.

This year because of changes in the Form itself as well as changes in the ground rules, attendance by every institution is particularly urgent. You are, therefore, invited to plan now to attend one of the seven meetings scheduled during late September and early October. A schedule of the conferences is attached. Also attached are reply cards on which you should let us know of your plans. When you have indicated the specific meeting you will attend, you will be sent further details on exact location, parking accommodations, and the like.

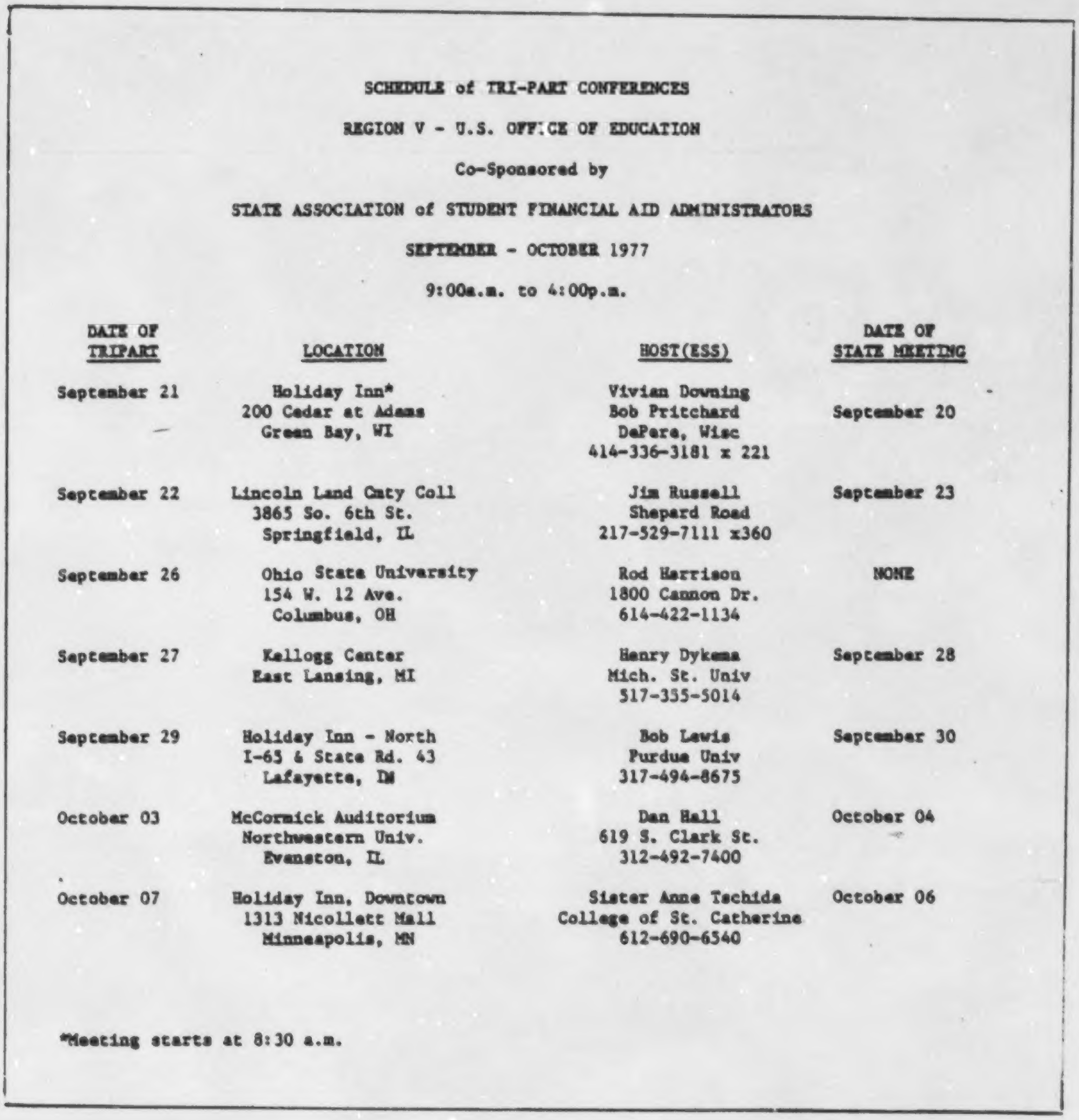
As indicated above this year's application will differ considerably from previously filed forms. It will be shorter and simpler but will require calculations different from those with which you are familiar. A copy of the Draft Application with its instructions is enclosed. Please note that this is not your official Application. The official copy will be mailed you from Washington around the middle of September. The exact submission date for the Application remains uncertain. All such information will be provided you at the workshops as well as at the time the official Application is received.

Whatever time remains after the Application discussion on the day of the workshop will be devoted to a discussion of current regulatory changes. Please plan to have staff in attendance who will profit from both discussions.

We look forward to seeing you soon.

Enclosure

EXHIBIT 7.1: (Continued)



SCHEDULE of TRI-PART CONFERENCES

REGION V - U.S. OFFICE OF EDUCATION

Co-Sponsored by

STATE ASSOCIATION of STUDENT FINANCIAL AID ADMINISTRATORS

SEPTEMBER - OCTOBER 1977

9:00a.m. to 4:00p.m.

DATE OF TRIPART	LOCATION	HOST(ESS)	DATE OF STATE MEETING
September 21	Holiday Inn* 200 Cedar at Adams Green Bay, WI	Vivian Downing Bob Pritchard DePere, Wisc 414-336-3181 x 221	September 20
September 22	Lincoln Land Cmty Coll 3865 So. 6th St. Springfield, IL	Jim Russell Shepard Road 217-529-7111 x360	September 23
September 26	Ohio State University 154 W. 12 Ave. Columbus, OH	Rod Harrison 1800 Cannon Dr. 614-422-1134	NONE
September 27	Kellogg Center East Lansing, MI	Henry Dykema Mich. St. Univ 517-355-5014	September 28
September 29	Holiday Inn - North I-65 & State Rd. 43 Lafayette, IN	Bob Lewis Purdue Univ 317-494-8675	September 30
October 03	McCormick Auditorium Northwestern Univ. Evanston, IL	Dan Hall 619 S. Clark St. 312-492-7400	October 04
October 07	Holiday Inn, Downtown 1313 Nicollett Mall Minneapolis, MN	Sister Anne Tschida College of St. Catherine 612-690-6540	October 06

*Meeting starts at 8:30 a.m.

since not all institutions are included as part of an association and in recognition of the special problems faced by certain sectors, most regional offices conduct separate workshops for one or more of the following groups: proprietary schools; rabbinical schools; new financial aid officers; business/fiscal officers, and supportive personnel. Through these means, the regional offices estimate that virtually every school participating in the Campus-Based programs attends at least one training workshop.

The training techniques used are, in almost every case, limited to a step-by-step review of the application form. Copies are distributed (usually in advance) to each of the schools in the region in order to allow the aid officers an opportunity to determine areas of difficulty prior to the workshop. The regional offices develop transparencies of each page of the application form for use at the workshops. The forms are projected on to a screen by means of an overhead projector, the trainer reviews each line, and the audience is given the opportunity to ask questions as the session progresses. In at least one case, a "self-test" was developed by the regional office and distributed to each attendee at the end of the training session in order to allow the aid officers to evaluate their comprehension of the application process.

The training sessions are normally conducted by two representatives from the regional office and last between 1-2 days. The average cost per workshop is approximately $400;[1/] however, the cost can range from as low as $20 for a workshop held in the same city as the regional office to as high as $800 for one held in a distant location (e.g., Alaska). Since the training sessions are normally conducted in cooperation with the State associations, the cost of travel would be expected to exhibit wide variations and any comparisons of cost across regions would be misleading due to the markedly different geographic barriers faced by each region.

[1/] This does not include the costs incurred by the individual attendees who pay their own expenses.

A notable exception to the workshop training method was Region I's (New York) use of a closed-circuit television system with two-way audio communications. Using a central broadcasting center and twelve viewing locations distributed through a major portion of the region, the regional office was able to provide training to 102 schools at a cost far below the use of workshops. The television time was provided free of charge by the Metropolitan Regional Council, Inc. (a closed circuit television network serving local governments in the "tri-state region") so that the only costs incurred were for staff time and materials. Although this was an innovative approach to training, it should be noted that it only has limited applicability for the other regional offices due to the available range of television broadcasting. Region I is a compact (but densely populated) geographic area and, as such, is ideal for the use of a television medium. The remaining regions are either far more expansive (e.g., Region IX) or faced with geographic barriers to broadcasting (e.g., mountain ranges).

What operations does OE employ to train financial aid counselors? Describe in terms of the nature, timing, and personnel. How do these operations vary by Region? By Region, what costs are associated with each training operation? How does OE inform and train institutions in understanding and complying with program regulations? What are the costs to OE of such training?

A. U.S.O.E. Central Office

Through a contract with a consortium consisting of the National Association of Student Financial Aid Administrators, the National Association of College and University Business Officers and the

American Personnel and Guidance Association, USOE sponsors workshops to train institutional personnel in both the Basic Grant and Campus-Based programs. The workshops are held nationwide generally in two cities in each of the fifty States (one time per city) and are directed toward the following individuals:

- a 2-day workshop for the novice;
- a 2-day workshop for the FAO and others who have had some experience and understand the basics;
- a 3-day workshop for fiscal people which covers fund management, NDSL collections, etc.; and
- a 2-day workshop for proprietary school owners conducted by knowledgeable proprietary school personnel.

The primary focus of these training efforts is on the following areas:

- loan collection in the NDSL program;
- validation in the BEOG program;
- program abuse due to bad management on the institutional level (e.g., no time cards kept on CWS recipients); and
- general program training including regulations, law, compliance, new elements in program regulations, changes in statutes from the previous year, record-keeping, reporting, and dealing with audits and program reviews.

In addition, areas such as needs analysis and aid packaging are covered but only in a superficial manner. That is, the focus is on "how to use the system" while allowing the institutions to obtain in-depth training from ACT or CSS.

For FY 1977-78, there were three "waves" of workshops for financial aid officers, fiscal officers, and proprietary school personnel. The cost of this training to USOE was $1,300,000.

B. U.S.O.E. Regional Offices

In addition to training related to the Campus-Based application, the regional offices in the past conducted extensive efforts to train financial aid officers in a wide variety of topics related to the O.E. student assistance programs. These include:

- on-going attendance at State and regional association meetings to provide training and to answer questions - these covered a wide range of topics including specific regulations, overviews of the financial process for new aid officers, report preparation, etc.;
- telephone calls from financial aid officers and the general public - these can easily average about 75 calls per day during the peak periods; and
- the use of regional "newsletters" (see Exhibit 7.2) and/or "Dear colleagues" letters (Exhibit 7.3).

In addition, the regional offices have participated in: 1) training programs initiated by the central office of Training and Dissemination such as the NDSL "due diligence" workshops (which included discussions of the assignment of defaulted notes, the computation of default rates, and excess loan fund cash); 2) in programs initiated by the private need analysis services; and 3) in programs initiated by other non-OE individuals and/or groups, e.g., local Congressmen, and the U.S. Attorney's Office (i.e., on fraud and abuse).

The format of the formal training activities (i.e., workshops) varies by region particularly with regard to the availability of a separate training division. Although each region seeks to provide training and technical assistance to its institutions, only those with training divisions seem able to develop formal training materials (see Appendix I). This problem is further exacerbated by the lack of support from the central office and the failure to establish formal procedures to share information across regions and/or to provide staff assistance to other regions.

Further adding to these difficulties is the recent reduction in regional training efforts due to an increased concentration on program monitoring. Not only, as previously discussed, do regional officers see this as a major change in their role but financial aid officers have perceived this as a significant loss. For most of these individuals, training materials and guidebooks generally do

EXHIBIT 7.2: EXAMPLE OF REGIONAL NEWSLETTER

Office of Student Financial Assistance

Management Information

U.S. DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
REGION 1
BOSTON, MASSACHUSETTS

ITEMS OF CURRENT INTEREST Date:

OFFICE OF STUDENT FINANCIAL ASSISTANCE

Since the announcement of the reorganization of the U.S. Office of Education last August and the creation of the new Bureau of Student Financial Assistance, we have been engaged at the regional level in developing our Office of Student Financial Assistance to carry out our regional responsibilities and delegated authorities. Our central office is publishing a monthly BSFA Newsletter which I trust you have been receiving. This communication is intended to supplement our official Bureau publication and localize the information on your Region I Office of Student Finantial Assistance.

If you are not on our Central Office mailing list or plan a change of address, please contact me.

William T. Logan, Jr.
Regional Administrator
Office of Student Financial Assistance

ORGANIZATION

The Office of Student Financial Assistance was created to bring together for administrative purposes HEW's major postsecondary student aid programs: Basic Educational Opportunity Grants, Supplemental Educational Opportunity Grants, College Work-Study, National Direct Student Loan, Cuban Loans, Guaranteed Student Loans, and a new program of insured loans for graduate students in the health professions.

The regional office is to carry out various program functions at the local level, and is actively involved in program review, training and dissemination, and in the collection of defaulted student loans. Direct contact will be made with borrowers and a close working relationship will be maintained by the various offices. Some major objectives of the reorganization are to improve program coordination, minimize red tape, and increase cost effectiveness. The structure and staffing patterns also will help to eliminate fraud and abuse in the programs.

Our Region I Office of Student Financial Assistance is organized as follows:

ITEMS OF CURRENT INTEREST -2-

OFFICE OF THE REGIONAL ADMINISTRATOR

The Regional Administrator is responsible for the overall management of the regional office. He insures that favorable relations are developed and maintained with eligible schools and lenders, that the participants are monitored to insure compliance with laws and regulations, that defaulted loans are pursued in collection activities, and that training and information is provided to schools, lenders, and the regional staff. He develops standards and procedures to carry out administrative regulatory activities for resolution of compliance problems which involve laws, regulations, program abuse, and fraud against the Government or program participants.

DIVISION OF CERTIFICATION, PROGRAM REVIEW AND TRAINING

The Assistant Regional Administrator disseminates standards for institutional certification and operating procedures for internal program reviews. His division resolves audit exceptions and initiates the use of limit, suspension and termination actions. It also conducts validation of student-reported data. Is responsible for a variety of functions directed toward continuously informing the educational and lending communities, students, and the public of significant student loan and grant programs. Provides program participation with training in loan and grant regulations, policies and procedures.

DIVISION OF CLAIMS AND COLLECTIONS

This division examines and processes claims from lending institutions for student loans in default, the collection process, and disposition of defaulted loans. It is responsible for searching out defaulted student borrowers and for negotiation of repayment of loans. This division is also responsible for the provision of administration and systems support for claims examination, the collection function, and other regional office functions in the area of data input and retrieval to and from computer systems.

OTHER NOTES OF INTEREST

1. REGIONAL HEARING - GUARANTEED STUDENT LOAN PROGRAM
   A public hearing will be held on the proposed GSL Regulations, dated April 5, 1978. Anyone wishing to comment or participate in these hearing should plan to attend.

   This public meeting will be held:

   Date - May 15, 1978
   Place - Worcester, Massachusetts
   Location - College of Holy Cross,
   Hogan Campus Center, Room 421
   Time - 9:00 AM to 6:00 PM

EXHIBIT 7.2: (Continued)

ITEMS OF CURRENT INTEREST -3-

Unfortunately the above scheduled hearing conflicts with the date of the SFA Eastern Association meeting being held in Portland, Maine. The date for the hearing has already been published, and there is no way to reschedule. If any individual, because of this conflict desires to present a prepared statement at this hearing, he/she should forward such statement to Mr. Thomas J. O'Hare, U.S. Office of Education, P.O. Box 8370, John F. Kennedy Federal Building, Boston, Massachusetts 02114, prior to May 15, 1978.

2. STUDENT FINANCIAL ASSISTANCE REGULATIONS
As a reminder, the following are the current regulations in effect that govern the SFA programs:

1. BEOG Regulations
    (a) Eligibility of Part-Time Award Calculations dated 8/10/76.
    (b) Family Contribution Schedules dated 6/30/77 & 1/30/78.
    (c) Administration of Payments dates 12/2/74.
    (d) General Definitions, Application Procedures dated 11/6/74.
2. SEOG Regulations - Interim dated 12/24/76.
3. NDSL Regulations - Interim dated 12/24/76.
4. CWS Regulations dated 9/1/76.
5. GSL Regulations dated 2/20/74, 8/14/75, & 1/24/76.
6. LST, Limit, Suspend and Termination dated 12/23/77
7. Consumer Information Regulations dated 12/1/77.

3. Region I OSFA Organization Roster
In order to assist you in communicating with us, we provide the attached roster and staff assignment chart.

Attachment

EXHIBIT 7.2: (Continued)

ORGANIZATION ROSTER

REGION I, OFFICE OF STUDENT FINANCIAL ASSISTANCE

OFFICE OF THE REGIONAL ADMINISTRATOR

		Ext.
LOGAN, William T. Jr.	Regional Administrator	7205
WESTON, Lawrence	Compliance Officer	7865
Vacant	Compliance Officer	7865
Vacant	Administrative Assistant	7205
Sarkesian, Hermine	Secretary	7205

DIVISION OF CERTIFICATION, PROGRAM REVIEW AND TRAINING

O'HARE, Thomas, J.	Assistant Regional Administrator	7246
BECHTOLD, Charles H.	Senior Institutional Review Specialist	6895
MARTIN, Donald J.	Institutional Review Specialist	6895
ROGERS, Nancy M.	Secretary	6895
ROBES, John	Senior Lender Review Specialist	6458
AVERY, Lee	Lender Examiner	7865
GREENE, Gene	Lender Examiner	0007
SULLIVAN, Paul	Lender Examiner	7865
THOMPSON, Blanche	Secretary to ARA	7246
SHOER, Ruth	Clerk-Typist	7246
JONES, Teddy C.	Training & Dissemination Officer	6895

DIVISION OF CLAIMS AND COLLECTIONS

Vacant	Director	
THRELKELD, Thomas	Senior Collections Officer	0007
O'BRIEN, Lawrence	Collection Agent	0007
REILLY, William J.	Collection Agent	0007
CONNELLY, June	Loan Clerk	7865
PARENTEAU, Carol	Secretary	6458
SEASTROM, Ralph	Claims Examiner	7865
Vacant	Claims Clerk (Data Transcriber)	6458

TEMPORARIES

DUNN, Robert J.	Loans Claims Examiner
DIFRONZO, Cleda	Data Clerk
LOVETERE, Joanne	Data Clerk
RUSHTON, Flora	Clerk-Typist
O'DONNELL, Susan	Clerk-Typist
KOWALSKI, Jennie	Clerk-Typist

EXHIBIT 7.3: EXAMPLE OF REGIONAL DEAR COLLEAGUE LETTER

HI-LITES FROM OE WASHINGTON

and REGION I STUDENT FINANCIAL AID

We will endeavor to keep all of our Directors of Student Financial Aid who are administering the programs of College Work-Study, Supplemental Educational Opportunity Grants, and National Direct Student Loans, apprised of the latest developments from OE. The data will be sent to you on a quarterly basis upon our return from conferences with members of the Central Office Staff. Most of the information provided can be used for guidance and planning purposes. Some of the Federal Regulations are still in the proposal stage and are not set in concrete. We will indicate in this letter the subjects that are still in the proposal format.

I. CALENDAR 1977 - 1978

A. June - July Notice of proposed Rule-Making (Federal Register) comment period.
B. June - July Tri-Partite Application Clearance
C. August: Close Federal Regulations
D. August 22 (approximately) Application print and mail
E. August 22-25 SFA Region I - X Branch Chief's Meeting
F. August 31, 1977 Deadline receipt of Fiscal Operations Report - Central Office OE Washington, D.C.
G. September: Application Workshops
H. October 14, Application receipt date, Regional Offices
I. October 24, November 11, Review Panel
J. November 14-23 Notify Institution Panel Results - Not later than Nov. 23.
K. December 12, Institutional Appeals due in Regional Office
L. December 12-20 Act on Appeals
M. December 27-30 Appeal Notices to Institutions
N. January 19, 1978 (approximately) Deadline for final appeals due in Regional Office for National Appeals.
O. January 24-27 National Appeal Panel and Branch Chief Workshop
P. March 15 State Percentages
Q. April 10, Award Letters

II. SEVERAL NOTES ON BEOG

A. Training of Trainers Scheduled for July 24-29 Washington, D.C.
B. Nationwide Plans:
    1. 250 - Two day meetings for new SFA Officers.
    2. 100 - 1 day meetings for Fiscal Officers.
    3. 60 - 1 day meetings for specialized institutions.
Group I - 1 1/2 days BEOG and 1/2 day campus-based programs

C. Award Letters
The Division of Basic Grants has advised that allocation letters for the 1977-78 academic year will be available as soon as possible after July 1. As in previous years, the amount indicated on the institutional allocation letter will reflect approximately 60 percent of the amount the Division predicts your institution will utilize during the entire academic year.

2.

D. Calculation of Summer Basic Grant Awards
The Basic Grants Division has advised that a policy statement regarding summer awards will be coming out soon. However, given such short time, we have been advised that summer awards should be calculated using the same formula as provided for Summer 1976 awards.

E. Overawarding
The Basic Grants Division has reaffirmed its position on overawarding. If a student receives a Basic Grant, and no other funds from the Campus-Based Programs, the total amount a student may receive may exceed the cost of education. However, we ask that if such overawarding occurs, then each institution should make appropriate provision for this in its own student financial aid policies.

III. SPECIAL ADVANCE NOTES

These notes are for planning only and will be set-forth in detail in a "Dear Colleague" letter plus "Notice of Proposed Rule-Making." If you have any questions please contact the Regional Office.

A. NDSL, CWS, SEOG

1. The technical amendment supporting an increase of the overhead cost allowance in the NDSL program from 3% to 4% per year was passed by the Senate and adopted by the House on Wednesday, June 1st. The bill now goes to President Carter for signature.

   Washington cannot issue the appropriate "Dear Colleague" letter until the bill has been signed into law, since it is impossible to anticipate signing action. However, the letter to institutions will have appropriate references to regulation sections, laws et cetera that:

   a. The overhead costs allowance in SEOG, CWS and NDSL for the award year ending June 30, 1977 has been increased from 3% to 4% per year.

   b. The ceiling on the overhead amounts for all three programs combined, is now $325,000 in place of the earlier $125,00 established in 78.

   c. The 4% for this year ending June 30, 1977 will be subject to a "Notice of Proposed Rule-Making." We understand that it will require that the cost allowance must be used to support SFA operations both program and fiscal. Bookkeeping accounts will have to be established to reflect expenditures of the allowance (Subject to Audit).

   d. The 4% after July 77 to 78 will be subject to Section 493A of the Educational Amendmentsof 1976.

B. The Tri-Partite Application will be reduced to six pages for old and new schools. More information will be forthcoming at State workshops. Generally the requests for funding will be tied to the 1976-77 Fiscal

EXHIBIT 7.3: (Continued)

3.

Operations Report based upon utilization. There will be three categories of schools.

1. Catagory A - Institutions which expended funds under one or more of the CWS, SEOG, and NDSL programs during 1976-77 and 77-78 and which request a total under the three programs which does not exceed the aggregate of its expenditures under all programs during 76-77.

2. Catagory B - Same as Catagory A for program participation but where request exceeds the aggregate expenditures during 76-77.

3. Catagory C - Institutions which are applying for the first time 78-79 and those participating for the first time in 77-78.

4. For comparison with last year Applications the following pages will be completed:

   Pages 1, 2, 3, 12, 13, and 14

5. Page 15 "Extension Agreement" will be eliminated with new "General Terms of Agreement" to be approved each year.

6. On Pages 2 and 3 there will be special instructions for the different school categories.

7. The Extension of Agreement on your 1977-78 application will continue until later in the year (1977) when a new General Agreement will be sent out to conform to the "Education Amendments of 1976."

C. The Fiscal Operations Report remains basically unchanged over 1976. We have provided for the 4% on the programs (Note Item 9 on CWS page 8 and Item 6 SEOG Page 7.) On NDSL page 3 there is a new section for Teacher Service Cancellation 30% rate item 7.3 A new section 2.2 on page 8 CWS for Release of funds.

D. NACUBO has its third edition of Fiscal Records and Accounting almost ready for distribution plus an excellent Collection Manual.

E. Later this summer the Central Office will provide you with the report forms and instructions for reporting delinquent NDSL loans semi-annually.

F. The procedures on the the handling of defaulted Promissory Notes is moving very slowly. Hopefully the Central Office will have the instructions and forms to you during August, 1977.

G. The Program Management Section has reassigned responsibility for several of its functions, Please note who works with each of the following areas. The PMS telephone number remains 245-2475.

EXHIBIT 7.3: (Continued)

4.

Maintenance of Level of Effort CWS Waivers of Matching	Ms. Celeste Felious
NDSL Disability Cancellations Terms of Agreement Changes of Ownership	Ms. Sally Johnson

H. The Program Support Branch has received several Congressional inquiries and is beginning to receive a number of "form letters" from different institutions protesting the curtailment of the NDSL Skip-Trace Service. We have developed a short note of acknowledgment to be used in the latter cases, pointing out that OE had no say in the decision and that an alternative does exist, namely, use of commercial Skip-Trace services. Expenses incurred for such services can be charges to the Loan Fund. Of course, as in the case of billing or collection agencies, OE does not officially approve or endorse such private agencies, but, if asked, can provide the names of firms we are aware of. At the present time, we know of only one private commercial Skip-Trace service which charges a reasonable fee on a contingency basis. This is North American Credit Services, Inc., Student Locate Service, 2000 John Drive, Shawnee-Mission, Kansas 66205. If any of you learn of other commercial Skip-Trace services with reasonable fees, please let Fred Wells know.

I. College Work-Study Subminimum Wage
As a result of a recent court decision, publicly-supported institutions of Postsecondary Education need not contact the Department of Labor to obtain a certificate to pay subminimum wage provided the institution has obtained a waiver effective during the last twelve (12) months. Such public institutions which have not obtained such a waiver must contact Mr. Hubert S. Shaw, Chief, Program Development Branch, Student Financial Aid, Bureau of Postsecondary Education, U.S. Office of Education, 7th and D Streets, S.W., Washington, D.C. 20202.

All private nonprofit institutions must continue to obtain certificates from the appropriate Department of Labor office in order to continue paying subminimum wages under the College Work-Study Program.

The subminimum wage may not usually be less than 85 percent of the minimum wage currently in effect. An institution properly certified to pay subminimum wage may pay any amount between the minimum wage and the 85 percent of the minimum rate.

IV Attachments

A. Fiscal Operations Report - make extra copies. It is necessary so that you can prepare your report in advance and transpose to the original upon receipt.

EXHIBIT 7.3: (Continued)

5.

B. Recommendation for change in NDSL Delinquency rate determination with Departmental Comments. It is planned to change the method of rate determination in accordance with the attached.

C. How to leave a Better Audit Trail.

Charles H. Bechtold
Branch Chief, SFA
Postsecondary Education
Region I

P.S. PLEASE FORWARD COPIES OF THIS BULLETIN TO YOUR FISCAL OFFICER OR WHERE NECESSARY.

not take the place of a live question-and-answer session with a USOE representative. Although it is too soon to assess the effect of the reduced training program, it is the general feeling of the regional offices that it can only compound the already existing problems.

As a final point, the Training and Dissemination Branch of Region V conducted a survey of each of the regional offices in order to determine an agenda of training needs. In order of importance, the most needed areas of training are:

- accounting, bookkeeping, NACUBO, and fiscal operation;
- due diligence, defaulted paper, excess cash;
- FISAP process;
- needs analysis - how to use and interpret;
- audits and audit resolution;
- construction of student budgets;
- Privacy Act & Freedom of Information Act;
- Ethics & Code of Conduct of Government Employees;
- summary of regulations (12/1/77) (LS&T) (8/3/78) (8/24/78 (8/10/78);
- DFAFS system and quarterly reports; and
- BEOG validation.

The results of this survey have been provided to the Central Office's Division of Training and Dissemination and are to be used to develop a position paper on training to be released on or about October 1.

APPENDIX A

1. 1979-78 APPLICATION FORM (DRAFT)
2. 1978-79 APPLICATION FORM

OMB Approval No. 29-R0218

FEDERAL ASSISTANCE

2. APPLICANT'S APPLICATION
a. NUMBER
b. DATE Year month day 19

3. STATE APPLICATION IDENTIFIER
a. NUMBER
b. DATE ASSIGNED Year month day 19

Leave Blank

1. TYPE OF ACTION (Mark appropriate box)
☐ PREAPPLICATION
☒ APPLICATION
☐ NOTIFICATION OF INTENT (Opt.)
☐ REPORT OF FEDERAL ACTION

SECTION I—APPLICANT/RECIPIENT DATA

4. LEGAL APPLICANT/RECIPIENT
a. Applicant Name :
b. Organization Unit :
c. Street/P.O. Box :
d. City : e. County :
f. State : g. ZIP Code:
h. Contact Person (Name & telephone No.) :

5. FEDERAL EMPLOYER IDENTIFICATION NO.

6. PROGRAM (From Federal Catalog)
a. NUMBER ☐☐.☐☐☐
b. TITLE

7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT

INSTITUTIONAL APPLICATION TO PARTICIPATE IN
FEDERAL STUDENT FINANCIAL AID PROGRAMS

—COLLEGE WORK-STUDY PROGRAM
—SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS
PROGRAM
—NATIONAL DIRECT STUDENT LOAN PROGRAM

8. TYPE OF APPLICANT/RECIPIENT
A–State
B–Interstate
C–Substate District
D–County
E–City
F–School District
G–Special Purpose District
H–Community Action Agency
I–Higher Educational Institution
J–Indian Tribe
K–Other (Specify):
Enter appropriate letter I

9. TYPE OF ASSISTANCE
A–Basic Grant
B–Supplemental Grant
C–Loan
D–Insurance
E–Other
Enter appropriate letter(s) ☐☐

10. AREA OF PROJECT IMPACT (Names of cities, counties, States, etc.)
NA

11. ESTIMATED NUMBER OF PERSONS BENEFITING
NA

12. TYPE OF APPLICATION
A–New
B–Renewal
C–Revision
D–Continuation
E–Augmentation
Enter appropriate letter ☐

13. PROPOSED FUNDING	
a. FEDERAL	$ .00
b. APPLICANT	NA .00
c. STATE	NA .00
d. LOCAL	NA .00
e. OTHER	NA .00
f. TOTAL	$ NA .00

14. CONGRESSIONAL DISTRICTS OF:
a. APPLICANT
b. PROJECT

15. TYPE OF CHANGE (For 12c or 12e)
A–Increase Dollars
B–Decrease Dollars
C–Increase Duration
D–Decrease Duration
E–Cancellation
F–Other (Specify):
Enter appropriate letter(s) N A

16. PROJECT START DATE Year month day 7/1/ 19 79

17. PROJECT DURATION 12 Months

18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY ▶ Year month day 19

19. EXISTING FEDERAL IDENTIFICATION NUMBER

20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code)
U. S. OFFICE OF EDUCATION, WASHINGTON, D. C. 20202

21. REMARKS ADDED
☐ Yes ☐ No

SECTION II—CERTIFICATION

22. THE APPLICANT CERTIFIES THAT ▶

a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved.

b. If required by OMB Circular A-95 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached:

	No response	Response attached
(1)	☐	☐
(2)	☐	☐
(3)	☐	☐

23. CERTIFYING REPRESENTATIVE
a. TYPED NAME AND TITLE
b. SIGNATURE
c. DATE SIGNED Year month day 19

SECTION III—FEDERAL AGENCY ACTION

24. AGENCY NAME

25. APPLICATION RECEIVED Year month day 19

26. ORGANIZATIONAL UNIT

27. ADMINISTRATIVE OFFICE

28. FEDERAL APPLICATION IDENTIFICATION

29. ADDRESS

30. FEDERAL GRANT IDENTIFICATION

31. ACTION TAKEN
☐ a. AWARDED
☐ b. REJECTED
☐ c. RETURNED FOR AMENDMENT
☐ d. DEFERRED
☐ e. WITHDRAWN

32. FUNDING	
a. FEDERAL	$ .00
b. APPLICANT	.00
c. STATE	.00
d. LOCAL	.00
e. OTHER	.00
f. TOTAL	$ .00

33. ACTION DATE ▶ Year month day 19

34. STARTING DATE Year month day 19

35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)

36. ENDING DATE Year month day 19

37. REMARKS ADDED
☐ Yes ☐ No

38. FEDERAL AGENCY A-95 ACTION

a. In taking above action, any comments received from clearinghouses were considered. If agency response is due under provisions of Part 1, OMB Circular A-95, it has been or is being made.

b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)

424-101

STANDARD FORM 424 PAGE 1 (10-75)
Prescribed by GSA, Federal Management Circular 74-7

SECTION IV–REMARKS *(Please reference the proper item number from Sections I, II or III, if applicable)*

STANDARD FORM 424 PAGE 2 (10–75)

114

GENERAL INSTRUCTIONS

This is a multi-purpose standard form. First, it will be used by applicants as a required facesheet for pre-applications and applications submitted in accordance with Federal Management Circular 74–7. Second, it will be used by Federal agencies to report to Clearinghouses on major actions taken on applications reviewed by clearinghouses in accordance with OMB Circular A–95. Third, it will be used by Federal agencies to notify States of grants-in-aid awarded in accordance with Treasury Circular 1082. Fourth, it may be used, on an optional basis, as a notification of intent from applicants to clearinghouses, as an early initial notice that Federal assistance is to be applied for (clearinghouse procedures will govern).

APPLICANT PROCEDURES FOR SECTION I

Applicant will complete all items in Section I. If an item is not applicable, write "NA". If additional space is needed, insert an asterisk "*", and use the remarks section on the back of the form. An explanation follows for each item:

Item

1. Mark appropriate box. Pre-application and application guidance is in FMC 74–7 and Federal agency program instructions. Notification of intent guidance is in Circular A–95 and procedures from clearinghouse. Applicant will not use "Report of Federal Action" box.

2a. Applicant's own control number, if desired.

2b. Date Section I is prepared.

3a. Number assigned by State clearinghouse, or if delegated by State, by areawide clearinghouse. All requests to Federal agencies *must* contain this identifier if the program is covered by Circular A–95 and required by applicable State/areawide clearinghouse procedures. If in doubt, consult your clearinghouse.

3b. Date applicant notified of clearinghouse identifier.

4a–4h. Legal name of applicant/recipient, name of primary organizational unit which will undertake the assistance activity, complete address of applicant, and name and telephone number of person who can provide further information about this request.

5. Employer identification number of applicant as assigned by Internal Revenue Service.

6a. Use Catalog of Federal Domestic Assistance number assigned to program under which assistance is requested. If more than one program (e.g., joint-funding) write "multiple" and explain in remarks. If unknown, cite Public Law or U.S. Code.

6b. Program title from Federal Catalog. Abbreviate if necessary.

7. Brief title and appropriate description of project. For notification of intent, continue in remarks section if necessary to convey proper description.

8. Mostly self-explanatory. "City" includes town, township or other municipality.

9. Check the type(s) of assistance requested. The definitions of the terms are:

   A. Basic Grant. An original request for Federal funds. This would not include any contribution provided under a supplemental grant.

   B. Supplemental Grant. A request to increase a basic grant in certain cases where the eligible applicant cannot supply the required matching share of the basic Federal program (e.g., grants awarded by the Appalachian Regional Commission to provide the applicant a matching share).

   C. Loan. Self explanatory.

   D. Insurance. Self explanatory.

   E. Other. Explain on remarks page.

10. Governmental unit where significant and meaningful impact could be observed. List only largest unit or units affected, such as State, county, or city. If entire unit affected, list it rather than subunits.

11. Estimated number of persons directly benefiting from project.

12. Use appropriate code letter. Definitions are:

   A. New. A submittal for the first time for a new project.

   B. Renewal. An extension for an additional funding/budget period for a project having no projected completion date, but for which Federal support must be renewed each year.

   C. Revision. A modification to project nature or scope which may result in funding change (increase or decrease).

   D. Continuation. An extension for an additional funding/budget period for a project the agency initially agreed to fund for a definite number of years.

   E. Augmentation. A requirement for additional funds for a project previously awarded funds in the same funding/budget period. Project nature and scope unchanged.

13. Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of the change. For decreases enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 13a, amount requested from Federal Government; 13b, amount applicant will contribute; 13c, amount from State, if applicant is not a State; 13d, amount from local government, if applicant is not a local government; 13e, amount from any other sources, explain in remarks.

14a. Self explanatory.

14b. The district(s) where most of actual work will be accomplished. If city-wide or State-wide, covering several districts, write "city-wide" or "State-wide."

15. Complete only for revisions (item 12c), or augmentations (item 12e).

Item

16. Approximate date project expected to begin (usually associated with estimated date of availability of funding).

17. Estimated number of months to complete project after Federal funds are available.

18. Estimated date preapplication/application will be submitted to Federal agency if this project requires clearinghouse review. If review not required, this date would usually be same as date in item 2b.

Item

19. Existing Federal identification number if this is not a new request and directly relates to a previous Federal action. Otherwise write "NA".

20. Indicate Federal agency to which this request is addressed. Street address not required, but do use ZIP.

21. Check appropriate box as to whether Section IV of form contains remarks and/or additional remarks are attached.

APPLICANT PROCEDURES FOR SECTION II

Applicants will always complete items 23a, 23b, and 23c. If clearinghouse review is required, item 22b must be fully completed. An explanation follows for each item:

Item

22b. List clearinghouses to which submitted and show in appropriate blocks the status of their responses. For more than three clearinghouses, continue in remarks section. All written comments submitted by or through clearinghouses must be attached.

23a. Name and title of authorized representative of legal applicant.

Item

23b. Self explanatory.

23c. Self explanatory.

Note: Applicant completes only Sections I and II. Section III is completed by Federal agencies.

FEDERAL AGENCY PROCEDURES FOR SECTION III

If applicant-supplied information in Sections I and II needs no updating or adjustment to fit the final Federal action, the Federal agency will complete Section III only. An explanation for each item follows:

Item

24. Executive department or independent agency having program administration responsibility.

25. Self explanatory.

26. Primary organizational unit below department level having direct program management responsibility.

27. Office directly monitoring the program.

28. Use to identify non-award actions where Federal grant identifier in item 30 is not applicable or will not suffice.

29. Complete address of administering office shown in item 26.

30. Use to identify award actions where different from Federal application identifier in item 28.

31. Self explanatory. Use remarks section to amplify where appropriate.

32. Amount to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of change. For decreases, enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 32a, amount awarded by Federal Government; 32b, amount applicant will contribute; 32c, amount from State, if applicant is not a State; 32d, amount from local government if applicant is not a local government; 32e, amount from any other sources, explain in remarks.

33. Date action was taken on this request.

34. Date funds will become available.

Item

35. Name and telephone no. of agency person who can provide more information regarding this assistance.

36. Date after which funds will no longer be available.

37. Check appropriate box as to whether Section IV of form contains Federal remarks and/or attachment of additional remarks.

38. For use with A–95 action notices only. Name and telephone of person who can assure that appropriate A–95 action has been taken—if same as person shown in item 35, write "same". If not applicable, write "NA".

Federal Agency Procedures—special considerations

A. *Treasury Circular 1082 compliance.* Federal agency will assure proper completion of Sections I and III. If Section I is being completed by Federal agency, all applicable items must be filled in. Addresses of State Information Reception Agencies (SCIRA's) are provided by Treasury Department to each agency. This form replaces SF 240, which will no longer be used.

B. *OMB Circular A–95 compliance.* Federal agency will assure proper completion of Sections I, II, and III. This form is required for notifying all reviewing clearinghouses of major actions on all programs reviewed under A–95. Addresses of State and areawide clearinghouses are provided by OMB to each agency. Substantive differences between applicant's request and/or clearinghouse recommendations, and the project as finally awarded will be explained in A–95 notifications to clearinghouses.

C. *Special note.* In most, but not all States, the A–95 State clearinghouse and the (TC 1082) SCIRA are the same office. In such cases, the A–95 *award* notice to the State clearinghouse will fulfill the TC 1082 award notice requirement to the State SCIRA. Duplicate notification should be avoided.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BUREAU OF STUDENT FINANCIAL ASSISTANCE
WASHINGTON, D.C. 20202

INSTRUCTIONS

INSTITUTIONAL FISCAL OPERATIONS REPORT/APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS

This is a combined fiscal-operations/application form which shall be used by Institutions reporting financial information for the Award Period July 1, 1977 through June 30, 1978, and/or applying for federal financial assistance for the award period July 1, 1979 through June 30, 1980, under the following programs:

Program	Catalog of Federal Domestic Assistance Number
College Work-Study	13.463
Supplemental Educational Opportunity Grants	13.418
National Direct Student Loan	13.471

No award may be granted unless a completed form as applicable to each institution, has been received (Public Law 89-329, as amended, 42 U.S.C. 2754-56, College Work-Study Program; Public Law 92-318, 20 U.S.C. 1070b-3, Supplemental Educational Opportunity Grants Program; Public Law 92-318, 1087bb-cc, National Direct Student Loan Program).

Complete all parts of the form which are applicable to your institution and submit the original and 2 duplicate copies to the address shown on page 1 of the form by October 16, 1978.

INSTRUCTIONS FOR PAGE ONE.

SERIAL NUMBER (csgb). Enter only the last four digits of the document number which identifies allocations issued to your institution for operation of these programs under the Division of Program Operations, i.e., an institution with a document number P007919999 would enter the numerals 9999. This number appears on your institution's official allocation letter(s) for NDSL, SEOG, and CWS for the 1978-79 Award Period. Institutions not currently participating (first-time applicants for the 1979-80 Award Period) enter "NEW".

ENTITY NUMBER. Enter the nine-digit employer identification number assigned by the Internal Revenue Service, and the two-digit suffix assigned by the DHEW Central Registry System. If all that is known is the nine-digit IRS employer identification number, enter that in the entity number block.

LINES 1 - 3. Select the correct code below:

Line 1. (TYPE)

- 1-University (or graduate/ professional school)
- 2-Other 4 year (baccalaureate degree-granting only)
- 3-Two-year
- 4-Area vocational-technical school
- 5-Other

Line 2. (CONTROL)

- 1-Public
- 2-Private, non profit
- 3-Proprietary

Line 3. (LEVEL)

- 1-One year or less
- 2-Two years
- 3-Three years
- 4-Four years
- 5-Five years or more
- 6-Postbaccalaureate only

NAME AND ADDRESS OF INSTITUTION. Enter the name and address, including ZIP code, of your institution. If your institution's name or address has changed during the year, enter the old name or address in parentheses below the new.

LINE 4. Check appropriate block

LINES 5 — 10. MAINTENANCE OF LEVEL OF EFFORT: Include in your maintenance calculations institutional scholarship and student aid expenditures (including student employment) given to any student regardless of whether he is needy or not. Also include funds controlled by the institution and awarded as scholarship and other forms of aid but which derive from outside organizations.

Expenditures to be included in your maintenance of level figures are as follows: Institutional grants-in-aid; institutional scholarships, including athletic scholarships and State scholarships which are controlled and administered by the institution; institutional waivers of tuiton or fees; institutional student loans; Federally Insured Student Loans if the institution acts as the lender; institutional share of United Student Aid Funds, Inc., College Reserve Program; institutional share of nursing and health professions financial aid programs; institutional share of NDSLP; institutional share of CWSP (limited to on-campus institutional share, unless the institution has provided off-campus matching share from its own funds); institutional employment (exclusive of Federal share of CWSP); student wages from employment contracted by an institution with a private concern, with a provision that a given number of student jobs (not paid from CWS funds) are in the contract. In the area of student employment, all work performed by students for the institution is to be included regardless of whether or not it is based on financial need. Count actual cash payments and the fair cash value of payments made in services in return for work performed by students. The only exception involves special cases where unusual circumstances cause a temporary employment situation which is completely unrelated to the normal work program. Permission to exclude any employment payments from maintenance of effort computations must be obtained from your Regional Office.

The following sources of aid cannot be used in computing the institutional maintenance of level: State scholarships which are not administered and controlled by the institution; scholarships, grants, or gifts which are not administered and controlled by the institution and are given directly to students by groups or organizations outside the institution; loans from outside sources which are not subject to control by the institution; deferrals of tuition payments, etc., which are not actually loans, but merely bookkeeping arrangements not involving a loan note or loan repayment; Basic Educational Opportunity Grants; Supplemental Educational Opportunity Grants; Cuban Loans; Federally Insured Student Loans unless the institution is the lender; student employment not managed and controlled by the institution; income from jobs financed by the Federal government through research under a Federal grant; Federal share of NDSLP; Federal share of CWSP; Federal share of nursing and health professions financial aid programs; Social Security Benefits; payments under the GI Bill; benefits to war orphans; vocational rehabilitation payments; ROTC and NROTC Scholarships; specialized programs of various Federal agencies, e.g. BIA, LEAA, etc.

LINE 5. Institutions which participated in CWSP and/or SEOGP in the 12 months ending June 30, 1978 and failed to maintain the previously established average must explain the reason for the failure in an attachment.

LINES 6 – 10. Establishing the Average:

Institutions in existence in the three years indicated on the form (lines 6 through 8) must divide the total (line 9) by 3 to determine the average (line 10) whether an entry is present in all three years or not.

Institutions not in existence during 1 or more of the years enter "not in existence" for the appropriate year(s). Divide the total (line 9) by "1" or "2" as appropriate to determine the average.

LINES 11 – 16. MAINTENANCE OF LEVEL OF EFFORT– JOB LOCATION AND DEVELOPMENT PROGRAM.

The Education Amendments of 1976 included a requirement that an institution will continue to spend in its own job location and development programs, from sources other than Federal CWS funds, not less than the average expenditures per year made during the most recent three fiscal years for this purpose. IMPORTANT – Complete only if your institution used a portion of the CWS funds authorized for the 1977-78 Award Period to establish or expand a job location and development program during this period.

Establish a 3-year average by entering the amount expended for locating and developing jobs for students by your institution for the years indicated (lines 11-13) and divide the total (line 14) by three. However, if your institution did not operate a job location and development program during any or all of the 3 base years, enter n/a in the lines for those years. If appropriate, divide the total (line 14) by 1 or 2, depending on the number of base years your institution has operated a job location and development program, and enter the result on line 15. Enter in line 16 the amount of funds expended by your institution to operate a job location and development program for the twelve months beginning July 1, 1977 and ending June 30, 1978. NOTE: Your entry in line 16 must be equal to or greater than your entry in line 15.

LINE 17. Check if your institution did not participate in any of the campus-based programs during the Award Period July 1, 1977 through June 30, 1978.

LINE 18. The Division of Institutional Development, Bureau of Higher and Continuing Education, U.S. Office of Education, Washington, D.C. 20202, designates "developing institutions." Please call (area code 202, telephone 245-2418) or write that office if you wish to be designated a "developing institution."

Eligible "developing institutions" will receive further information from this office at a later date.

LINE 19. Further information will be sent to eligible institutions at a later date.

LINES 18 and 19. Waivers are applicable only to student compensation in excess of:

(1) College Work-Study wages paid July 1, 1976 through June 30, 1977, or

(2) An amount specified by the Commissioner for institutions which did not participate in the College Work-Study Program from July 1, 1976, through June 30, 1977.

INSTRUCTIONS FOR PART 1 – GENERAL SECTION OE FORM 646 PAGES 2 AND 3

GENERAL INSTRUCTIONS. You should complete Part I only after completing Parts II, III, and IV, as appropriate, because all statistical and fiscal data in Part I must agree with the appropriate figures in Parts II, III, and IV, wherever indicated in these instructions.

We suggest that you retain the instruction sheets for all parts of the fiscal portion of this form and file them with your copy in order to facilitate later reference or correction, if necessary.

ENTER ALL AMOUNTS IN ALL PARTS OF THIS REPORT IN WHOLE DOLLARS. (For Example, $10,542 *(NOT $10,542.36 or $10,542.00)*.

SERIAL NUMBER (cagh). Enter only the last four digits of the document number which identifies allocations issued to your institution for operation of these programs. See instructions for page 1.

Name of the institution. See instructions for page 1.

SECTION A – NUMBER OF NDSL, SEOG, AND CWS RECIPIENTS IN THESE PROGRAMS DURING THE 1977-78 AWARD PERIOD BY RACIAL/ETHNIC DISTRIBUTION

Report the number of NDSL recipients, SEOG recipients, and CWS recipients during the 1977-78 Award Period according to racial/ethnic distribution, during this period. All recipients must be U.S. citizens or admitted for permanent residence in the United States.

The unduplicated number of students is the sum of all students receiving aid from one or more of the three programs. In computing that figure, each recipient is counted only ONCE, even if he received assistance from more than one of the programs.

The term "Black" includes persons having origins in any of the black racial groups of Africa. (EXCEPT THOSE OF HISPANIC ORIGIN)

The term "American Indian or Alaskan Native" includes persons having origins in any of the original peoples of North America.

The term "Asian or Pacific Islander" includes persons having origins in any of the original peoples of the Far East, Southeast Asia, or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Phillipine Islands and Samoa.

The term "Hispanic" includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

The term "White" includes persons having origins in any of the original peoples of Europe, North Africa, the Middle East, or the Indian subcontinent.

In every column of Section A, line 6 is the sum of lines 1 through 5. However, column a is an unduplicated total and is therefore probably less than the sum of b, c, and d.

The entries in line 6 of this section must agree with the appropriate entries in Section C of this part as follows:

Column B equals line 1, NDSL recipients
Column C equals lines 3 and 5, SEOG recipients (both IY and CY)
Column D equals line 7, CWS recipients

SECTION B – DISTRIBUTION OF AID RECIPIENTS BY SEX DURING THE 1977-78 AWARD PERIOD

Report the number of NDSL recipients, SEOG recipients and CWS recipients, and the number of unduplicated recipients, by sex.

The totals in line 3 of Section B must agree with the corresponding entries in Section A, line 6.

The entries in column a are unduplicated numbers, and are therefore probably less than the sum of columns b, c, and d.

SECTION C – NUMBERS OF AID RECIPIENTS AND AMOUNTS SPENT BY INCOME CATEGORY FOR UNDERGRADUATE DEPENDENT STUDENTS OR BY UNDERGRADUATE INDEPENDENT OR GRADUATE STATUS DURING THE 1977-78 AWARD PERIOD

This section shows the distribution of aid recipients and the amounts spent during the 1977-78 Award Period by gross family income level for undergraduate dependent students and by undergraduate independent or graduate level. *(All graduate students, both dependent and independent, should be entered only in column i.)* PLEASE NOTE THAT THE GROSS FAMILY INCOME LEVELS HAVE BEEN EXTENDED. IF NECESSARY, ESTIMATE THE ENTRIES ABOVE THE $12,000 GROSS FAMILY INCOME CATEGORY AND PLACE A CHECK-MARK IN THE BOX PROVIDED.

In lines 1, 2, 7, 8, 9, and 10, column a is the sum of columns b through i.

In lines 3, 4, 5, and 6, column a is the sum of columns b through h.

Line 9, column a, equals part 1, section A, line 6, column A.

INSTRUCTIONS FOR PART II – NATIONAL DIRECT STUDENT LOAN PROGRAM, OE FORM 646, PAGE 4

YOU SHOULD THOROUGHLY READ THESE INSTRUCTIONS BEFORE BEGINNING TO COMPLETE THIS FORM.

ALL AMOUNTS SHOULD BE IN WHOLE DOLLARS ONLY. FOR EXAMPLE $10,542 (NOT $10.542.36 or $10,542.00)

SECTION A – FISCAL REPORT AS OF JUNE 30, 1978

Note that this section of Part II is on a cumulative basis. A source of helpful information would be the 1977 NACUBO Manual, Accounting Recordkeeping, and Reporting by Colleges and Universities for Federally Funded Student Financial Aid Programs, published by the Office of Education. For general information concerning this program, please refer to the Interim Regulations published in the Federal Register November 24, 1976.

In each line item count each borrower only one time.

NDSLP Account Number:

1. Report the cash balance on hand as of June 30, 1978 *(total cash on hand and in depository)*. This account may never reflect a credit balance which would indicate an overexpenditure of the loan Fund.

2. Enter the amount representing any portion of your allocation for the 1977-78 Award Period that was requested from our disbursing agent as of June 30, 1978, but not actually deposited into the Fund as of that date.

3. Enter the amount of the Institutional Capital Contribution corresponding to your entry in line 2, that will be required to maintain the cumulative 9:1 matching ratio. Normally, the required institutional contribution is computed by dividing the entry in line 2 by 9.

4. Report the total amount actually lent and paid to borrowers plus amounts assessed for late charges and added to principal *(cumulative)* through June 30, 1978. Indicate the number of borrowers involved.

5. Report the cumulative loan principal amount collected through June 30, 1978. Include late charges collected only if added to the principal. Indicate the number of borrowers who have made payments.

5.1 This line is included only to enable you to plan for future reporting requirements. There will be no entry in this line for the Award Period ending June 30, 1978.

6. Report the amount of loan principal cancelled on loans made prior to July 1, 1972, and the number of borrowers involved. Line 6, column d, is the sum of lines 6.1, 6.2, and 6.3, column a. Line 6, column b, is an unduplicated count of the number of borrowers and is therefore probably less than the sum of lines 6.1, 6.2, and 6.3, column b.

6.1 Report only the loan principal cancelled for teaching service at the 10 percent rate and the number of borrowers involved.

6.2 Report only the loan principal cancelled for teaching service at the 15 percent rate and the number of borrowers involved.

6.3 Report the amount cancelled for eligible military service and the number of borrowers involved. Cancellation is granted at the rate of 12 1/2% per year on loans made during the period April 14, 1970-June 30, 1972, for each complete year of service, beginning after June 30, 1970, as a member of the Armed Forces of the United States.

7. Report the amount of loan principal cancelled on loans made July 1, 1972, and after and the number of borrowers involved. Line 7, column d, is the sum of lines 7.1, 7.2, 7.3, and 7.4, column a. Line 7, column b is an unduplicated number of borrowers and may therefore be less than the sum of lines 7.1, 7.2, 7.3, and 7.4, column b. **Please note that any cancellations on loans made prior to July 1, 1972, must be reported under account number 6 above.**

7.1 Report only the loan principal cancelled for teaching service at the 15 percent rate and the number of borrowers involved.

7.2 Report only the loan principal cancelled for teaching service at the 20 percent rate and the number of borrowers involved.

7.3 Report only the loan principal cancelled for teaching service at the 30 percent rate and the number of borrowers involved.

7.4 Report the principal amount cancelled for eligible military service and the number of borrowers involved. Cancellation is granted at the rate of 12 1/2% per year on loans made on or after July 1, 1972, for each year of service as a member of the Armed Forces of the United States that qualifies for special pay under Section 310 of Title 37, United States Code, as an area of hostility.

8. Report the principal amount cancelled because of death, for which an official documentation of death is on file at the institution, and the number of borrowers involved.

9. Report all loan principal cancelled because of disability for which official authorization from the Office of Education is on file with the institution, and the number of borrowers involved.

10. Report the total amount of principal cancelled as the result of bankruptcies for which there is on file with the institution an official copy of the legal discharge in bankruptcy, and the number of borrowers involved.

11. Enter here any other loan principal written off for other reasons, exclusive of those reported on lines 6 through 10. A detailed explanation of any such items charged must be attached to this report. Indicate the number of borrowers involved.

12. Report the sum of the total Federal capital contributions actually deposited into the Fund since the inception of the program through June 30, 1978, plus any portion of your allocation for the 1977-78 Award Period that was requested from our disbursing agent but not actually received as of June 30, 1978, as reported in line 2.

13. Report the cumulative amount *(Federal share)* repaid to the Federal Government as distributions of Fund capital through June 30, 1978. If your institution is presently in the process of liquidating the Loan Fund, a check for the Federal portion of the amount shown in the Cash on Hand and in Depository account as of June 30, 1978 should be made payable to the U.S. Office of Education and submitted along with your report.

Do not include (a) repayments made on loans from the Federal Government for institutional matching funds or (b) any withdrawals for administrative expenses.

14. Report the sum of the total institutional capital contributions actually deposited into the Fund since the inception of the program through June 30, 1978, plus the institutional funds that will be required to match any Federal amount requested but not yet received as of June 30, 1978. *(the amount required to match your entry in line 2).* The amount entered in line 14 must be at least one-ninth of the amount entered in line 12.

15. Report the cumulative amount repaid to the institution as distributions of Fund capital through June 30, 1978. Do *not* include withdrawals authorized for administrative expenses, or reimbursements for teacher/military cancellations.

16. Report the total amount of interest earned on loans through June 30, 1978. This includes interest collected as well as interest which was prevented from accruing because of cancellations of loan principal.

17. Report the total income from other sources. This includes collection of late charges not included in line 5.

18. Report the cumulative amount paid to the institution by the Office of Education as a reimbursement of principal and interest cancelled on loans made July 1, 1972, and after. Such amount must be deposited into your institution's NDSL Fund and included in your loan activity.

19. Report the total amount from the general ledger control account. This should equal the total amounts reported on lines 19.1, 19.2, and 19.3.

19.1 Report only actual institutional litigation costs arising in connection with collection of principal and interest due and only the amount in excess of any such costs paid by the borrowers. Indicate the number of borrowers involved.

19.2 Report the amount withdrawn from the Fund as payment in lieu of reimbursement for administrative expenses.

19.3 Report actual allowable collection costs, distinct from amounts reported as "administrative expenses."

20-26. Report the cost of the amounts of principal and interest cancelled for the reasons indicated.

27. There will be no entry in this line for the Award Period ending June 30, 1978.

27.1 Report all other costs or losses and explain any entries on a separate sheet.

28. TOTALS: Line 28, column c, is the sum of all other entries in column c. Line 28, column d, is the sum of all other entries in column d. **Line 28, column c, must equal line 28, column d.**

SECTION B – FUND ACTIVITY *(Annual)* FOR THE PERIOD JULY 1, 1977—JUNE 30, 1978

1. Report the entire amount of the new Federal capital contribution authorized for the 1977-78 Award Period. This entry is the amount shown on the official allocation letter.

INSTRUCTIONS FOR PART II – NATIONAL DIRECT STUDENT LOAN PROGRAM, OE FORM 646, PAGES 5, 6, and 7

(Continued)

2. Report the amount deposited into the Fund as a new Federal Capital Contribution during the 1977-78 Award Period. This entry is a computed amount which should include any portion of your authorization for the 1977-78 Award Period that was requested from our disbursing agent as of June 30, 1978, even if that amount was received after June 30, 1978.

3. Show percent of authorized new Federal Capital Contribution deposited or requested by June 30, 1978 *(Line 2 divided by line 1 times 100.)*

4. Report the amount of your authorized new Federal Capital Contribution which was not requested from the DHEW Federal Assistance Financing System as of June 30, 1978. This entry is obtained by subtracting line 2 from line 1. In due course an amount equal to any unexpended authorization in line 4 will be deducted from your grantee account at the DHEW Federal Assistance Financing System.

5. Report the amount received in September, 1978, from the Office of Education as reimbursement for principal and interest cancelled on direct loans made on July 1, 1972, and after, computed on the basis of the information in your cumulative fiscal/operations report for the period ending June 30, 1977.

6. Report the total funds advanced to students as loans during the 1977-78 Award Period. Loans to students must be made from the loan fund established in accordance with Sections 144.8 and 144.32 (d) (1) of the interim regulations published November 24, 1976.

7. Report the amount withdrawn from the Fund as a payment in lieu of reimbursement for administrative expenses during the 1977-78 Award Period. Generally, your entry in line 7 may not exceed 4% of your entry in line 6. However, your entry in line 7 may exceed 4% of line 6, when the maximum administrative expenses allowable for previous years were not withdrawn in those years and have been withdrawn in the 1977-78 Award Period.

SECTION C – CUMULATIVE REPAYMENT INFORMATION AS OF JUNE 30, 1978.

This section is an analysis of the repayment status as of June 30, 1978, of all past and current National Defense Student Loan and National Direct Student Loan borrowers at your institution. Report the actual number of borrowers, not the numbers of loans made. Each borrower should be represented in one and only one line of lines 2 through 6.8. Note that all borrowers who are not in repayment status as of June 30, 1978, should be listed in lines 4.1 through 4.4. This includes those borrowers who (a) were in past due status on previous loans but who have resumed student status on at least a half-time basis and (b) are in deferred status because of extraordinary circumstances such as hardship and/or disability. No loan currently in any category of deferment should be considered delinquent even if overdue before the beginning of the deferment period.

Each of the following instructions applies to those lines of Section C that are not shaded out: Enter in column a the actual unduplicated number of borrowers in that status as of June 30, 1978. Enter in column b the total principal amount advanced to those borrowers, including any late charges added to the principal. Enter in column c the total principal amount repaid by those borrowers, either as actual cash repayment or as principal amounts cancelled by those borrowers for whatever reason *(teaching service, military service, death, bankruptcy or permanent and total disability)*. Column d is included to enable you to plan for future reporting requirements. There will be no entry in column d or the corresponding columns in line 3 for the Award Period ending June 30, 1978. Enter in column e the total principal amount outstanding for those borrowers *(including borrowers whose loans have been in default two years or more.)*

Enter in column f the total principal amount past due and in default for those borrowers. Include only the principal amount that should have been repaid, but has not been repaid, as of June 30, 1978 according to each student's repayment schedule. Do not include the entire principal amount outstanding, even if the entire amount has been declared due and collectible as a result of the delinquency. Enter in column g the amount in deferred status *(defined as the principal amount that would have been repaid by the borrower as of June 30, 1978, according to the repayment schedule, if the account had not been in deferred status)* for borrowers who are in deferred status as of June 30, 1978.

Note that all amounts entered in column f or in column g are also included in the amount entered in column e. Column f is equal to or less than column e in every line *(less in nearly all cases)*, and column g is also equal to or less than column e *(less in nearly all cases)*.

Line 1. Report the total unduplicated number of borrowers *(and amounts)* since the inception of the loan program at your institution through June 30, 1978.

Line 2. Report the number of borrowers *(and amounts)* whose loans are fully retired, either through cash repayment or through any combination of cash repayment and any type of cancellation.

Line 3. There will be no entries in this line for the Award Period ending June 30, 1978. It has been included to enable you to plan for future reporting requirements.

Line 4. Columns a and e must equal the sum of the entries in lines 4.1 through 4.4, columns a and e. In lines 4.1 through 4.3 report the number of borrowers *(and amounts)* not in repayment status by reason of at least half-time student status at an eligible institution or grace period. In line 4.4, report the number of borrowers receiving deferment of payments of principal because of military service, Peace Corps, Vista hardship, teaching service or deferment pending approval of a disability request. In column g, report the amount of principal deferred. Line 1, column g, and line 4.4, column g, should be equal.

Line 5. Report the total number of borrowers *(and amounts)* who are making loan repayments on schedule as of June 30, 1978.

Lines 6.1-6.8. Report the total number of borrowers *(and amounts)* whose accounts are either past due or in default as of June 30, 1978. "In Default" means that (1) the borrower failed to make an installment payment when due, and (2) such failure persisted and was not cured either by payment or other appropriate arrangements for 120 days in the case of loans repayable in monthly installments, or for 180 days in the case of loans repayable in less frequent installments. Count each borrower only **ONCE** in the appropriate category by the **OLDEST** past due payment.

Line 6.7. is the sum of lines 6.1 and 6.2 in columns a, b, c, e, and f

Line 6.8. is the sum of lines 6.3 through 6.6, in columns a, b, c, e, and f.

Line 1, column a, is the sum of lines 2, 4, 5, 6.7, and 6.8 , column a.

Line 1, column b, equals line 1, column c, plus line 1, column e.

Line 1, column e, is the sum of lines 4, 5, 6.7 and 6.8, column e.

Line 1, column g, equals line 4.4, column g

The following entries in Part II, Section C, should agree with entries in Part II, Section A:

(1) Section C, line 1, column a, equals Section A, line 4, column b.
(2) Section C, line 1, column b, equals Section A, line 4, column c.
(3) Section C, line 1, column c, equals Section A, sum of lines 5, 6, 7, 8, 9, 10, and 11, column d.

SECTION D – COLLECTION ACTIVITIES AS OF JUNE 30, 1978

Section D collects various types of information on the collection activities of your loan program. Each of lines 4 through 9, considered **SEPARATELY**, contains an unduplicated number of borrowers, but a borrower may be entered in more than one line in Section D. *(Additionally all borrowers presented in Section D have been included in Section C.)*

Lines 1-3. Self-explanatory.

Line 4. Report the unduplicated total number of delinquent borrowers and the total principal amount past due which is currently assigned as of June 30, 1978 to the agency indicated in line 3. Include the total principal amount outstanding for a loan only if (a) the total amount outstanding has been declared due and collectible as a result of the delinquency and (b) the institution has turned over the entire amount to the collection agency.

Line 5. Report the number of borrowers involved and the principal plus interest collected for your institution during the 1977-78 Award Period only by the collection agency indicated in line 3.

Line 6. Report the amount paid to the collection agency as its fee, for any amount of principal and interest collected during the Award Period shown on line 5.

Line 7. Report the total number of borrowers and the total loan principal outstanding for borrowers against whom you have legal action currently in process.

Line 8. Report the total number of borrowers and the total loan principal outstanding for borrowers whose current address in unknown and with whom you have lost contact.

Line 9. Report the number of borrowers who made repayments and the amount of principal and interest collected during the 1977-78 Award Period which was deposited into the Loan Fund and made available for relending.

Line 10. Remarks. Use this space to explain your entries in lines 2 and 3, if necessary.

INSTRUCTIONS FOR PART III – SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM, OE FORM 646, PAGE 8

BEFORE FILLING OUT THIS PART, YOU SHOULD HAVE AVAILABLE, FOR REFERENCE, A COPY OF YOUR INSTITUTION'S ALLOCATION LETTER(S) FOR THE PERIOD JULY 1, 1977 THROUGH JUNE 30, 1978.

ALL AMOUNTS SHOULD BE IN WHOLE DOLLARS ONLY. FOR EXAMPLE, $10542 *(NOT $10,542.36 or $10,542.00).*

GENERAL INSTRUCTIONS CONCERNING THE TRANSFER OF FUNDS BETWEEN THE SEOG AND CWS PROGRAMS

The Education Amendments of 1972 included a provision that an institution participating in both the SEOG and CWS Programs in any Award Period may transfer up to 10% of its authorization for the Award Period from one program, to the other program, for use for the same purposes as its authorization for the second program. Accordingly, any institution participating in both programs may transfer from one program to the other an amount not greater than 10% of the **HIGHEST** official authorization for the Award Period as shown on the official allocation letters received from the Office of Education. The transfer authority in the SEOG Program is related to the sum of your institution's initial year and continuing year allocations, and the amount so transferred may come from your initial year allocation or your continuing year allocation or both, in any combination of amounts. Similarly, an amount equal to up to 10% of the Federal allocation indicated on your CWS Program allocation letter may be transferred into either your initial year or your continuing year allocation or divided between the two, in any combination of amounts.

In reporting any transfers from SEOG to CWS, or vice versa, reflect only the year-end status of the amounts transferred. For purposes of this report, do not consider any funds as having been transferred unless they were ultimately spent in the program *(SEOG - IY, SEOG - CY, or CWS)* to which they were transferred. In other words, any amount which was transferred and not spent should be returned to the original program before closing your books.

NOTE: In reporting SEOG and CWS expenditures to the DHEW Federal Assistance Financing System, you should report any funds transferred from one program to the other as an expenditure under the document number **FROM** which funds were transferred.

LINES 1-10. EXPENDITURE SUMMARY FOR THE 1977-78 AWARD PERIOD

You will note that the fiscal control entries in column a pertain only to your initial year allocation, and entries in column b pertain only to your continuing year allocation. Complete column c only where not shaded.

Line 1. Enter in line 1 the original SEOG authorization for your institution, as shown on your first allocation letter for the period July 1, 1977 - June 30, 1978.

Line 2. Enter any supplemental awards in line 2.1 or release of funds in line 2.2 for which you received an allocation adjustment letter.

Line 3. Enter in line 3 your SEOG authorization as shown on your most recent allocation letter for the period July 1, 1977 - June 30, 1978. Line 3 must equal either line 1 plus line 2.1 *(supplemental award)* or line 1 minus line 2.2 *(release of funds).*

Line 4. Enter the amount transferred from your CWS authorization for the 1977-78 Award Period and spent in SEOG in initial year, column a, and/or continuing year, column b. Your entry in line 4, column c, should equal the sum of line 4, column a plus column b, and may not exceed 10% of your HIGHEST CWS authorization for the 1977-78 Award Period.

Your entry in line 4, column c, must equal your entry in line 10 of Part IV of this report.

Line 5. Enter the amount spent during the 1977-78 Award Period as SEOG initial year awards to students in column a, and as continuing year awards in column b. Enter the total amount spent for initial year and continuing year awards in column c.

Line 6 Enter the amounts withdrawn by your institution, if any, as payment in lieu of reimbursement for administrative expenses. The total amount withdrawn, column c, may not exceed 4% of the sum actually expended for both initial year and continuing year awards to students during the 1977-78 Award Period *(line 5, column c times 4%).* The total amount withdrawn may be distributed between columns a and b so long as you do not exceed your initial year or continuing year final authorization. The total amount withdrawn for administrative expenses in the NDSL, SEOG, and CWS Programs may not exceed $325,000 for any Award Period.

Line 7. Enter the amount of your SEOG authorization that was transferred to and spent in CWS during the 1977-78 Award Period. Your entry in line 7, column c, should equal the sum of line 7, column a plus column b, and may not exceed 10% of your HIGHEST total SEOG authorization for the 1977-78 Award Period.

Your entry in line 7, column c, must equal your entry in line 4 of Part IV of this report.

Line 8. The entry for line 8 is obtained by subtracting the entry in line 4 from the sum of the entries in lines 5, 6, and 7.

Line 9. Unexpended SEOG authorization. Enter in line 9 the difference obtained by subtracting total expenditures *(line 8)* from the final adjusted authorization *(line 3)*. The entries in line 9 may NOT be negative amounts. In due course amounts equal to any unexpended authorizations in line 9 will be deducted from your grantee account at the DHEW Federal Assistance Financing System.

Line 10. The entry in line 10 is the percent of your final adjusted authorization which was expended during the 1977-78 Award Period in initial year and in continuing year. This percentage is derived by dividing line 8 by line 3, and multiplying the quotient by 100. NOTE: Your expenditure percentage rate CANNOT exceed 100 percent of your final authorization for the 1977-78 Award Period.

Line 11. Enter in line 11 any interest earned by SEOG funds during the 1977-78 Award Period. Under present payment procedures it is unlikely that an institution will have sufficient excess funds on hand to warrant placing them in an interest-bearing account. However, if such interest should be earned, it must be forwarded promptly to the Campus and State Grants Branch for disposition, in a check made payable to the U.S. Office of Education.

Line 12. Enter the amounts disbursed as eligible matching funds to SEOG recipients (which may differ from the amounts originally awarded). (1) Include all eligible matching assistance disbursed to each SEOG recipient, even though the total matching assistance may exceed the amount of SEOG awarded. (2) Although you may report "overmatching" for some recipients, remember that each SEOG recipient's award must be properly matched. (3) Include both the Federal and the Institutional share of the amounts borrowed or earned by the student under the NDSL and CWS Programs. (4) The total amount entered in line 12 must be equal to or greater than line 5c.

Line 12. REMARKS

INSTRUCTIONS FOR PART IV – COLLEGE WORK-STUDY PROGRAM, OE FORM 646, PAGE 9

SECTION A – AMOUNT SPENT IN THE AWARD PERIOD JULY 1, 1977 THROUGH JUNE 30, 1978

BEFORE FILLING OUT THIS PART, YOU SHOULD HAVE AVAILABLE, FOR REFERENCE, A COPY OF YOUR INSTITUTION'S ALLOCATION LETTER(S) FOR THE PERIOD JULY 1, 1977 THROUGH JUNE 30, 1978

ALL AMOUNTS SHOULD BE IN WHOLE DOLLARS ONLY. FOR EXAMPLE, $10,542 *NOT $10,542.36 or $10,542.00).*

GENERAL INSTRUCTIONS CONCERNING CWS FUNDS USED IN ESTABLISHING OR EXPANDING A JOB LOCATION AND DEVELOPMENT PROGRAM

Section 447(a) of the Education Amendments of 1976 authorized the Commissioner of Education to enter into an agreement with an eligible Institution participating in the College Work-Study Program under which the Institution may use in any Award Period not more than 10 percent or $15,000 of its final official authorization, whichever is less, to establish or expand a program for the prupose of locating and developing jobs which are suitable to the scheduling and other needs of students currently enrolled at that institution.

CWS funds used to establish or expand a job location and development program should be included in the TOTAL Federal funds expended from your official allocation and the sum reported to the DHEW Federal Assistance Financing System under the appropriate document number which identifies your authorization for the 1977-78 Award Period.

See also the General Instructions concerning the transfer of funds between the SEOG and CWS Programs in Part III of this report.

Lines 1 through 13. Enter earnings in the period when the student worked and not according to the date of disbursement; e.g., if a student was employed in the last days of June 1977 and received his check in July 1977, the compensation earned in June 1977 should have been charged as an accrual *(payable)* to June 1977 and would **NOT** be included on this report. The sum of the amounts disbursed for employment during the award period July 1, 1977–June 30, 1978 plus any accruals *(payables)* for June 1978 should be entered here.

Line 1. Enter your CWS authorization for the award period July 1, 1977-June 30, 1978. The correct entry for line 1 is the amount of funds authorized as shown on your institution's original award letter.

Line 2.1. Enter in this line any supplemental award for which you received an allocation adjustment letter.

Line 2.2. No entry should be made in this line for the Award Period July 1, 1977-June 30, 1978.

Line 3. Enter your CWS authorization as shown on your most recent allocation letter for the period July 1, 1977-June 30, 1978. Line 3 **MUST** equal line 1, plus line 2.1. If your institution received a supplemental award for the period July 1, 1977 - June 30, 1978.

Line 4. Enter the amount transferred from your SEOG authorization and spent in CWS during the 1977-78 Award Period. Your entry in line 4 **MAY NOT** exceed 10% of your highest SEOG authorization for the 1977-78 Award Period. Your entry in line 4 **MUST** equal your entry in line 7, column c of Part III of this report.

Line 5. Enter the amount of CWS funds used to establish or expand a job location and development program from your authorization for the 1977-78 Award Period.

Line 6. Total Earned Compensation. Enter the gross amount of wages earned by students *(Federal plus institutional shares)* in both on-campus and off-campus employment.

Line 7. Institutional Share. The institutional share should be at least 20 percent of the total earned compensation entered in line 6, whether contributed by the institution itself or by an off-campus agency, unless a partial waiver of your institutional share has been approved and your institution designated as a "developing institution of higher education" in accordance with Section 175.23(e)(1)(ii) of the proposed regulations published September 28, 1977. If the institutional share of student compensation has been paid in kind *(e.g., tuition waiver, room and board, etc.)* convert to cash value.

Line 8. Federal Share. *(Line 6 minus line 7).* The Federal share of student compensation should not exceed 80 percent of the total compensation reported in line 6, unless a partial waiver of your institutional share has been approved, see instructions for line 7.

Line 9. Administrative Expense Allowance. The maximum amount allowable for the 1977-78 Award Period is an amount equal to 4 percent of the total earned compensation reported on line 6. This means that your entry in line 9 may not be greater than 4 percent of your entry in line 6.

Line 10. Enter the total amount transferred from your CWS authorization for the 1977-78 Award Period to the SEOG Program for initial and/or continuing year and spent in SEOG. Your entry in line 10 may not exceed 10% of your highest CWS authorization for the 1977-78 Award Period. Your entry in line 10 must equal your entry in line 4, column c, of Part III of this report.

Line 11. The entry for line 11 is obtained by subtracting the entry in line 4 from the sum of the entries in lines 5, 8, 9, and 10.

Line 12. Unexpended CWS Authorization. Enter the difference obtained by subtracting total expenditures *(line 11)* from the final authorization *(line 3)*. In due course an amount equal to any unexpended authorization in line 12 will be deducted from your grantee account at the DHEW Federal Assistance Financing System. You may not use any unexpended authorization from this period to augment your CWS authorization for the 1978-79 Award Period. The entry in this line may not be a negative amount.

Line 13. The entry in line 13 is the percent of your CWS authorization which was expended during the 1977-78 Award Period. This percentage is derived by dividing line 11 by line 3 and multiplying the quotient by 100. NOTE: Your expenditure percentage rate cannot exceed 100 percent of your final authorization for the 1977-78 Award Period.

Line 14. Interest Earned. Enter any interest earned by CWS funds during the 1977-78 Award Period. Under present payment procedures it is unlikely that an institution will have sufficient excess funds on hand to warrant placing them in an interest-bearing account. However, if such interest should be earned, it must be forwarded promptly to the Campus and State Grants Branch for disposition in a check made payable to the U.S. Office of Education.

Lines 15 and 16. On-campus and off-campus employment during the 1977-78 Award Period. **Column a.** Enter in line 15 the total number of students employed on-campus and in line 16 the total number of students employed off-campus during the 1977-78 Award Period. **Column b.** Enter in line 15 the **Federal** share of compensation earned on-campus. Enter in line 16 the **Federal** share of compensation earned off-campus. The sum of the entries in lines 15 and 16, column b, must equal the entry in line 8.

SECTION B – JOB LOCATION AND DEVELOPMENT ACTIVITIES AS OF JUNE 30, 1978. NOTE: DO NOT COMPLETE THIS SECTION OF THE CWS REPORT UNLESS YOUR INSTITUTION HAS USED CWS FUNDS AUTHORIZED FOR THE 1977-78 AWARD PERIOD TO ESTABLISH OR EXPAND A JOB LOCATION AND DEVELOPMENT PROGRAM.

Line 1. Enter the total amount spent (Federal plus institutional share) to establish or expand a job location and development program during the 1977-78 Award Period.

Line 2. The institutional share must be at least 20 percent of the total cost of the program entered in line 1. If the institutional share of the cost of this program has been paid in kind (e.g., tuition waiver, room and board, etc.) convert to cash value.

Line 3. Federal share (line 1 minus line 2). The Federal share of the cost may not exceed 80 percent of the total cost in line 1. **Line 3 must be equal to your entry in line 5 of Section A of the CWS report.**

Line 4. Enter **ONLY** the number of students enrolled at your institution for whom jobs were located or developed under this program during the 1977-78 Award Period.

Line 5. Enter the total wages earned by the students indicated in line 4. If the actual wages earned by the students are unknown, enter a reasonable estimation.

Line 6. REMARKS

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BUREAU OF STUDENT FINANCIAL ASSISTANCE
WASHINGTON, D.C. 20202

APPLICATION FOR THE AWARD PERIOD JULY 1, 1979 THROUGH JUNE 30, 1980

GENERAL INSTRUCTIONS FOR SF 424—FEDERAL ASSISTANCE

ALL institutions (including new applicants) requesting Federal funds to participate in one or more of these student financial assistance programs must complete this portion of the combined form. If your institution received an official allocation letter authorizing Federal funds to operate one or more of these programs during the 1977-78 Award Period, both the fiscal-operations and application portions of the form must be completed in order for your request to be considered.

NOTE: All institutions covered under a single combined form, whether branches or members of a consortium, must be located in the same State. If any institutional branch or member institution of a consortium is not currently eligible to participate, submit a separate form for that branch or institution.

All branches covered under this form must be under the control of a single legal entity. A designated grantee may file a single application for member institutions of a consortium which are applying only for the College Work-Study Program

The College Work-Study, Supplemental Educational Opportunity Grants and National Direct Student Loan Programs are not presently included as programs under OMB Circular No. A-95, the regulations for facilitating coordinated planning under the Intergovernmental Cooperation Act of 1968; therefore clearinghouse notification is not mandated. However, applicants should be aware that in various states, state law requires review of applications for Federal assistance under various programs not covered by OMB Circular No. A-95. Implementation of such laws is enforced through state rules and regulations, and applicants are urged to ascertain the existence of such laws and to acquaint themselves with applicable state procedures. Clearinghouses are the proper source of information on additional review requirements. Applicants are encouraged to check with appropriate Federal Regional Office to obtain the name(s) and address(es) of the clearinghouses.

The following SUPPLEMENTAL instructions for the items given below are to be used in lieu of or along with the standard instructions FOR THOSE items:

Item 1. Preprinted

Item 4.

If your institution submitted an application under a different name last year, put an asterisk (*) after its name and note the old name in PARENTHESES.

If the applicant is a consortium applying for the College Work-Study Program, enter a double asterisk (**) after the name and list the name and address of each member.

An institution which is or will be a member of a consortium but which is filing a separate application should enter a triple asterisk (***) after the institution's name and list the name and address of the grantee designated to receive CWS funds from the institution for expenditure through the consortium.

Item 4b.

If funds are to be used at more than one branch, put an asterisk (*) in item 4b and list the name and address of each branch.

Item 4h.

Enter the name and telephone number of the Director of Student Financial Aid.

Item 5.

If your organization has been assigned a DHEW entity number consisting of the IRS employer identification number prefixed by "1" and suffixed by a two digit number, enter the full DHEW entity number rather than the employer identification number assigned by the IRS. New applicants enter "1" and the IRS employer identification number.

Item 7. Preprinted.

Item 8. Preprinted.

Item 9.

Enter "A" if applying for the College Work-Study Program and/or the Supplemental Educational Opportunity Grants Program. Enter "C" if applying for the National Direct Student Loan Program. Enter both "A" and "C" if applying for the National Direct Student Loan Program and either of the other two programs.

Item 10. Preprinted.

Item 11. Preprinted.

Item 13a.

Enter total amount of Federal funds requested.

Item 15. Preprinted.

Item 16. Preprinted.

Item 17. Preprinted.

Item 19.

Enter the (cagb) Serial Number
See instructions for page 1

20. Preprinted.

23.

Enter name, title and signature of the individual who is authorized by the institution or consortium to submit this application and whose signature constitutes adoption of the application by the institution or consortium (e.g. president, chancellor, owner).

APPLICATION FOR THE AWARD PERIOD JULY 1, 1979 THROUGH JUNE 30, 1980

GENERAL INSTRUCTIONS

A. Read all instructions carefully before attempting to complete any part of the form.

B. ALL ACTUAL FIGURES IN THIS APPLICATION ARE SUBJECT TO AUDIT. DO NOT USE ESTIMATES WHEN INSTRUCTED TO USE ACTUAL DOLLARS, NUMBER OF STUDENTS, OR PERCENTAGES.

C. Complete all items as requested. Enter "NA" for any items not applicable to your institution.

D. Check arithmetic carefully. Errors will be corrected at the discretion of the Government.

E. **PLEASE NOTE:** An application for funds from an institution which participated in any one of the campus-based programs during the 1977-78 Award Period will not be considered unless the applicable fiscal operations part of this form is completed.

F. Refer any questions to the office of the Regional Administrator for Student Financial Assistance serving your State.

WHO COMPLETES WHAT PART OF THE APPLICATION?

1. ALL applicants are required to complete Part A.

2. INSTITUTIONS WHICH PARTICIPATED DURING THE 1977-78 AWARD PERIOD

Non proprietary

(a) If requesting only conditional guarantee, Part A only.

(b) If the level of funding requested for any program exceeds the conditional guarantee for that program, or if requesting funds to operate a program in which the institution is not currently participating, complete Part A and Part B.

Proprietary

(a) If requesting only conditional guarantee, Part A only.

(b) If the level of funding requested for any program exceeds the conditional guarantee for that program, or if requesting funds to operate a program in which the institution is not currently participating, complete Part A, Part B, and Part C, Sections I and II.

3. INSTITUTIONS WHICH ARE PARTICIPATING FOR THE FIRST TIME DURING THE 1978-79 AWARD PERIOD

Non proprietary

(a) If requesting only conditional guarantee, Part A only.

(b) If the level of funding requested for any program exceeds the conditional guarantee for that program, or if requesting funds to operate a program in which the institution is not currently participating, complete Part A, Part B (lines 2-6), Part C, Section III, and Part D.

Proprietary

(a) If requesting only conditional guarantee, Part A only.

(b) If the level of funding requested for any program exceeds the conditional guarantee for that program, or if requesting funds to operate a program in which the institution is not currently participating, complete Part A, Part B (lines 2-6), and Part C, Sections I, II, and III.

4. "NEW" INSTITUTIONS WHICH ARE REQUESTING PARTICIPATION FOR THE FIRST TIME DURING THE 1979-80 AWARD PERIOD

Non proprietary

(a) If requesting only conditional guarantee, complete Part A, and Part B (line 1), if 1977 opening Fall enrollment is available. If 1977 opening Fall enrollment is not available, complete Part A, and Part D.

(b) If the level of funding requested for any program exceeds the conditional guarantee for that program, complete Part A, Part B (lines 1-6), and Part C, Section III. If 1977 opening Fall enrollment is not available, then Part D must be completed also.

Proprietary

(a) If requesting only conditional guarantee, Part A, and Part C, Sections I, and II.

(b) If the level of funding requested for any program exceeds the conditional guarantee for that program, complete Part A, Part B (lines 2-6), and Part C, Sections I, II, and III.

Federal funds under the College Work-Study Program are limited to:

An amount which is no more than 80% of student wages, **AND**
An administrative allowance which is 4% of total student wages (both Federal and non-Federal, **AND**
An amount for job placement activities (42 U.S.C. 2756a) which cannot exceed 10% of the allocation or $15,000, whichever is less.

Continuing Year Grants are limited to those students who received Supplemental Educational Opportunity Grants in the preceding academic year. Institutions not presently participating in the SEOG Program would have no Continuing Year grants unless they had eligible transfer students.

The funds for the Supplemental Educational Opportunity Grants Program are all Federal. Include a 4% administrative allowance. The maximum Supplemental Educational Opportunity Grant is $1,500 per academic year which must be matched with other student aid funds.

NDSL – "First-time" applicants. Level of Expenditures- The sum of total loans to be made to students plus 4 percent administrative expense. Federal capital contributions- no more than 90 percent of the computed level of expenditures.

STUDENT DEFINITIONS

Undergraduate student. A student who 1) is in attendance at an institution of higher education and 2) has not earned his first baccalaureate or professional degree. A student who has not earned his first baccalaureate or professional degree and who is enrolled in a program of study at the postsecondary level which is designed to extend for more than four academic years shall not be considered an undergraduate student in that portion of the program that involves study beyond the fourth academic year unless that program leads to a first degree and is designed to extend for a period of five academic years. A student who has already received a first baccalaureate or professional degree is considered to be a graduate student even if enrolled in an undergraduate course of study at a college or proprietary institution. This student would not be eligible to participate in the Supplemental Educational Opportunity Grants Program.

However for purposes of completing the enrollment data on this application, students enrolled in a four or five-year bachelor's degree program, in an associate degree program, or in a vocational or technical program that is normally terminal and results in formal recognition below the baccalaureate should be considered as undergraduates.

Graduate/Professional student. In general, a student who is enrolled in an academic program of instruction above the college level which is provided at an institution of higher education. The term includes (1) students who hold the bachelor's or first-professional degree, or equivalent, and are working toward a master's or doctor's degree, or (2) students enrolled in a professional school or program which required at least 2 academic years of college work for entrance and a total of at least 6 years for a degree.

Full-time student. A student who is carrying a full-time academic work load in terms of course work or other required activity as determined by the institution. In the case of institutions which do not use semester, trimester or quarter hours, this means at least 24 clock hours per week.

Half-time student. A student who is carrying at least one-half but less than the normal full-time academic work load in terms of course work or other required activity as determined by the institution. Such course work and activities must amount to the equivalent of 1) six semester hours or six quarter hours per academic term for institutions utilizing semester, trimester, or quarter hour systems; 2) twelve semester hours or eighteen quarter hours per academic year for institutions which measure progress in terms of credit hours but which do not utilize semester, trimester, or quarter systems; or 3) twelve clock hours per week for institutions which utilize clock hours.

INSTRUCTIONS FOR PART A

Using a need analysis system or method of calculation approved by the Commissioner of Education (Section 13 of the campus-based regulations), determine the amount of funds needed to aid eligible students under the National Direct Student Loan, Supplemental Educational Opportunity Grants, and College Work-Study Programs at your institution during the 1979-80 Award Period.

All institutions which are participating in any of these programs during the current 1978-79 Award Period will receive a conditional guarantee of funding for the 1979-80 Award Period for those programs. If your institution wants to request amounts equal to those conditionally guaranteed levels, you need only complete Part A of the application portion of this form and you should enter in Part A, Lines 1 and 3 through 5, as appropriate, the conditionally guaranteed amounts which can be derived by your institution by either of two methods, in accordance with the following procedures. We suggest that you compute a funding level for each program by using both methods and select the amount which is more representative of your institution's need for that program. IF THE AMOUNT FOR ONE OR MORE PROGRAMS DERIVED BY THESE METHODS IS INSUFFICIENT TO MEET THE NEEDS OF YOUR STUDENTS AND YOU WISH TO REQUEST A FUNDING LEVEL GREATER THAN THE AMOUNT OF THE CONDITIONAL GUARANTEE FOR THAT PROGRAM, ENTER IN PART A THE AMOUNTS WHICH YOUR INSTITUTION IS REQUESTING AND COMPLETE PART B, AS INSTRUCTED.

I. CONDITIONAL GUARANTEE – METHOD A (1977-78 Actual Expenditures)

Line 1 – NDSL Level of Expenditures equals the sum of the entries in the 1977-78 fiscal-operations report, Part II, Section B, lines 6 and 7 of this form.

Line 3 – SEOG Initial Year and Line 4 – SEOG Continuing Year
From the 1977-78 fiscal-operations report, Part III, of this form, sum the entries in lines 5 and 6, column (c). This amount of total SEOG expenditures is your institution's conditional guarantee for the SEOG Program. The conditional guarantee will be divided between Initial Year and Continuing Year on the basis of the same percentage that the institution's request for Initial Year and Continuing year grants bears to your total SEOG request.

Line 5 – CWS Federal Funds equal the sum of the entries in the 1977-78 fiscal-operations report, Part IV, lines 5, 8, and 9, of this form.

II. CONDITIONAL GUARANTEE – METHOD B (1978-79 PROJECTED EXPENDITURES)

Method B is based on the total funds available for the current award period (July 1, 1978-June 30, 1979) times the utilization percentage from the most recently completed award period (July 1, 1977-June 30, 1978).

NOTE: It is essential that you refer to the Federal funds authorized in your most recent award letter covering these programs for the 1978-79 Award Period (July 1, 1978 through June 30, 1979).

Line 1 - NDSL Level of Expenditures:

Step 1

Total funds available for the 1978-79 Award Period equals the amount shown in the allocation letter; Plus Institutional capital contribution (one-ninth of the Federal capital contribution authorized); Plus

Cash-on-hand as of June 30, 1978 (Sum of lines 1, 2, and 3, Part II, Section A, of your NDSL fiscal-operations report for the period ending June 30, 1978; Plus

An amount equal to 110% of the principal and interest collected on loans during the 1977-78 Award Period (line 9, Column b, Section D, of your NDSL fiscal-operations report for the period ending June 30, 1978; Plus

The amount received in *September, 1978* as reimbursement for teaching and/or military service on loans issued July 1, 1972 and after, line 5, Part II, Section B, of your NDSL fiscal-operations report for the period ending June 30, 1978.

Step 2

Calculate a utilization rate for the 1977-78 Award Period in the following manner: Divide the sum of line 6 (loans advanced to students) and line 7 (administrative expense), Part II, Section B, of your NDSL fiscal-operations report for the period ending June 30, 1978,

by

the sum of line 4 (Federal Capital Contribution authorized but not requested by June 30, 1978), line 6 (loans advanced to students and line 7 (administrative expense), Part II, Section B, of your NDSL fiscal-operations report for the period ending June 30, 1978; Plus one-ninth of line 4 (Federal Capital Contribution authorized but not requested by June 30, 1978), Part II, Section B, of your NDSL fiscal-operations report for the period ending June 30, 1978; plus the sum of lines 1, 2, and 3 (cash-on-hand and receivable), Part II, Section A, of your NDSL fiscal report for the period ending June 30, 1978.

Step 3

Multiply the funds available for 1978-79 (step 1 above) times the utilization rate for 1977-78 (step 2 above) and the product represents your conditional guarantee under the Method B option.

Line 3 – SEOG Initial Year and Line 4 – SEOG Continuing Year

Step 1

1978-79 Initial Year allocation plus 1978-79 Continuing Year allocation equals total SEOG allocation.

Step 2

Calculate a total SEOG utilization percentage for 1977-78 by using the following data elements from the 1977-78 fiscal-operations report, Part III, of this form:

Sum of line 8, column (a) plus line 8, column (b), divided by line 3, column (c).

Step 3

Multiply the amount from step 1 times the percentage from step 2. The product is your institution's conditional guarantee. The conditional guarantee will be divided between Initial Year and Continuing Year on the basis of the same percentage that the institution's request for Initial Year and Continuing Year grants bears to your total SEOG request.

Line 5 – CWS Federal Funds

1978-79 allocation multiplied by the utilization rate for the 1977-78 Award Period, Part IV, line 13. of the CWS fiscal-operations report for the period which ended June 30, 1978.

Line 2 – NDSL Federal Capital Contribution

THERE IS NO CONDITIONALLY GUARANTEED FEDERAL CAPITAL CONTRIBUTION. IT IS A DERIVED AMOUNT. USE THIS FORMULA FOR DETERMINATION OF THE FCC FOR BOTH METHOD A AND METHOD B.

Level of expenditures determined from Method A or Method B, as appropriate; less an amount equal to 121% of the principal and interest collected on loans during the 1977-78 Award Period (line 9, Column b, Section D, of your NDSL fiscal-operations report for the period ending June 30, 1978; less the amount received in September, 1978, as reimbursement for teaching and or military service on loans issued July 1, 1972 and after, line 5, Part II, Section B, of your NDSL fiscal-operations report for the period ending June 30, 1978.

Multiply the product of these calculations by .9 to derive the new Federal capital contribution for the 1979-80 Award Period.

III. INSTITUTIONS PARTICIPATING IN ONE OR MORE OF THESE PROGRAMS FOR THE FIRST TIME DURING THE CURRENT AWARD PERIOD, JULY 1, 1978-JUNE 30, 1979

The conditional guarantee for a program in which the institution is participating for the first time during the current 1978-79 Award period is equal to the authorized level in the allocation letter. For NDSL the conditional guarantee is equal to the Level of Lending and the Federal Capital Contribution shown in the allocation letter.

PROCEED TO PART B IF YOUR REQUEST FOR ONE OR MORE OF THESE PROGRAMS IN PART A EXCEEDS THE MAXIMUM CONDITIONAL GUARANTEE FOR THAT PROGRAM, OR IF YOU ARE REQUESTING FUNDS FOR A PROGRAM IN WHICH YOU ARE NOT CURRENTLY PARTICIPATING.

IV. SPECIAL INSTRUCTIONS FOR THE FOLLOWING CATEGORIES OF SCHOOLS:

A. Institutions which are first time applicants

B. Institutions currently participating in at least one of these programs but are requesting participation in one of these programs for the first time

1. For the program(s) in which you are applying for the first time, enter in Part A, lines 1, 3, 4, and 5, as appropriate, the amount that you need to aid eligible students.

   If you are requesting participation for the first time in NDSL, enter in Part A, line 2, an amount which is equal to 90% of line 1.

2. If you are applying for one or more of these programs for the first time, you must complete Part B, in accordance with the instructions below for Part B.

V. ALL INSTITUTIONS

To the extent possible under existing statutes and funds available, institutions will be funded to the level of their conditional guarantee by program before requests for additional funds will be considered.

DEFINITIONS FOR PART B, LINES 1 THROUGH 6

Line 1. The unduplicated count of full-time and part-time undergraduate and graduate/professional students defined as:

A. Undergraduate – a student enrolled in a four or five-year bachelor's degree program, in an associate degree program, or in a vocational or technical program that is normally terminal and results in formal recognition below the baccalaureate.

B. Graduate/Professional – a student who holds the bachelor's or first-professional degree, or equivalent, and is working toward a master's or doctor's degree or is enrolled in a professional school or program which requires at least 2 academic years of college work for entrance and a total of at least 6 years for a degree.

NOTE: If your institution has filed a Higher Education General Information Survey (hegis XII) fall enrollment of institutions of higher education, 1977, you must enter in Part B, line 1, columns a and b, the equivalent data submitted on that report.

Line 2. The actual number of students enrolled and started at your institution as of July 1, 1978. No matter what the calendar system, enter **ONLY** those students actually enrolled and started as of July 1, 1978.

Line 3. Total revenue for tuition and fees should be reported separately for undergraduate students and for graduate students.

All tuition and required fees* assessed (net of refunds) against students for current operating purposes between July 1, 1977 and June 30, 1978. Tuition and fee remissions or exemptions (waivers) should be reported as revenue even though there is no intention of collecting from the student. *(An amount equal to such waivers for undergraduate students should also be included as institutional grants and scholarships, if that is the purpose of the waivers.)*

Revenues from tuition and fees for an academic term, such as a summer session, conducted over a fiscal year end should be reported totally within the 1977-78 fiscal year if the program is predominantly conducted during that fiscal year.

If an all-inclusive fee for tuition, room and board is charged, a reasonable allocation must be made to "tuition and fees."

Fees assessed for services rendered by auxiliary enterprises should not be included.

*Determination of total revenue for tuition and fees follows the general guidelines in the *Higher Education Finance Manual*, published by the National Center for Education Statistics.

Line 4. Total expenditures reported on line 24, column a, of the June 30, 1978, Institutional Progress Report for the Basic Educational Opportunity Grants Program (1977-78 academic year)

Line 5. Include need-based and non need-based awards received by undergraduate students between July 1, 1977 and June 30, 1978 in the following programs:

> State grants, state scholarships, tuition equalization, competitive awards, and instructional grant awards to students, whether or not they are from the state in which the institution is located or another state.
>
> State awards which are controlled and administered by institutions *(i.e., institutions select the recipients)* should not be included.

State awards which have been made to students and which apply to the period July 1, 1977 to June 30, 1978 should be included whether or not state funds have actually been received by the institution between July 1, 1977 and June 30, 1978.

Line 6. This category includes but is not limited to all of the institutional grants and scholarships for undergraduates which are included in the institutional maintenance of level of effort for the period July 1, 1977 to June 30, 1978.

Endowed and non-endowed grants and scholarships *(need-based or non-need based)* such as the following awards which are controlled and administered by the institution *(i.e., the Institution selects the recipients)* must be included:

1. Institutional grants in aid *(including fine arts and athletic grants, etc.)*
2. Institutional scholarships *(including fine arts and athletic awards, etc.)*
3. State scholarships which are controlled and administered by the institution.
4. Institutional waivers of tuition and fees.
5. Foundation funds which are provided for awards to students and for which selection of recipients is determined by the institution.

Do not include awards which are not administered and controlled by the institution *(the institution does not select the recipients)*. Such awards not to be included would include those from outside organizations which make awards directly to students, or where the institution is merely the disbursing agent for the award.

Institutional grants and scholarships should be reported on the accrual basis; i.e., awards for the period July 1, 1977 to June 30, 1978 should be reported even though the actual expenditures may not have been made prior to June 30, 1978.

ENROLLED AID APPLICANTS

In assigning the student count to the appropriate income categories in the grids on Part B or Part C, Enrolled Aid Applicants are defined as students enrolled at least half-time in an eligible program between July 1, 1977 and June 30, 1978, who met program requirements for citizenship and for whom your institution has, on file, information regarding family taxable and non-taxable income, and for independent students, the student's taxable and non-taxable income, from which a need analysis (exclusive of asset treatment) could be performed using a methodology approved by the Commissioner of Education (Section 13 of the Campus-Based Regulations.)

INSTRUCTIONS FOR PART B

To complete lines 1 through 6 accurately, it is essential that you refer to the definitions provided above. Please note that institutions which participated during the 1977-78 Award period and are requesting a level of funding in excess of their conditional guarantee must complete lines 1, and 3 through 17. "First time" applicants and applicant institutions which are participating for the first time during the current Award Period, July 1, 1978 through June 30, 1979, must complete lines 2 through 6, but **do not** complete the income grid in this part.

Lines 1 - 6. All applicable data items **MUST** be completed in both columns. Enter "NA" for any item(s) not applicable to your institution.

Line 1, Column A and B. Enter the total number of full-time and part-time students attending your institution during the Fall term 1977. *(See definitions for undergraduate and graduate/professional students above).*

Line 2, Column A and B. Enter the actual number of students enrolled and started at your institution as of July 1, 1978.

Line 3, Column A and B. Enter the total revenue received for tuition and fees received by your institution during the Award Period July 1, 1977 through June 30, 1978.

Line 4, Column A. Enter the total expended to fund BEOG recipients for the entire 1977-78 academic year. *(Line 24, Column A, of your institution's Progress Report for Basic Educational Opportunity Grants Program.)*

Line 5, Column A. Enter the total amount of State grant and scholarship awards made to undergraduate students during the 1977-78 Award Period.

Line 6, Column A. Enter the total of institutionally administered grants and scholarship awards made to undergraduate students during the 1977-78 Award Period.

Lines 7 - 16. Determine the number of aid applicants enrolled in each income category. To do this, count the number of undergraduate and graduate students from whom you have on file a completed document using an approved need analysis system. *(See definition for enrolled aid applicant above).*

INSTRUCTIONS FOR PART C

New, "first-time", applicants are required to complete this part. Also proprietary institutions and institutions participating for the first time during the current Award Period, July 1, 1978 through June 30, 1979 are required to complete this part if the funding levels requested in Part A exceed the conditional guarantee for any program.

IMPORTANT: Enrollment figures submitted in Section I and Section II must be on a head count basis. Use separate lines to list instructional programs of different starting dates and different lengths of enrollment and indicate the type of student and attendance status. For example, if your institution has three instructional programs of different starting dates and different lengths of time required to complete the courses, list the information for each of these programs on separate lines and indicate the type of students *(undergraduate or graduate/professional)* and attendance status *(full-time, three-quarter time, half-time)* for each line. Please duplicate additional copies of this part, if needed, to submit the information requested.

ENROLLMENT DATA

SECTION I

TYPE OF STUDENT AND ATTENDANCE STATUS

Indicate the type *(undergraduate, graduate/professional)* and attendance status *(full-time, three-quarter time, half-time)* of the students shown in each line of column g by checking the appropriate box.

PRIOR YEAR DATA

Column g.
List the actual number (headcount) of students attending your institution on July 1, 1977, as of each starting date listed in Column h.

Column h.
List the starting dates for the instructional programs in chronological order starting with the earliest session which began prior to July 1, 1977 and continued after that date. Indicate month, day and year numerically. For example: 5/15/77.

Column i.
List the number of months during which the instructional program(s) for each starting date were in session.

SECTION II

TYPE OF STUDENT AND ATTENDANCE STATUS

SEE INSTRUCTIONS ABOVE.

NEW STARTS DURING THE PERIOD JULY 1, 1977 THROUGH SEPTEMBER 30, 1978

Column g.
List the actual number (headcount) of students attending your institution who started **AFTER** July 1, 1977, as of each starting date listed in Column h. **DO NOT** include any student who started after June 30, 1978. If your institution had no students in attendance prior to July 1, 1978, list the actual number in attendance during the period July 1, 1978 through September 30, 1978.

Column h.
List the starting dates for the instructional programs in chronological order for those programs starting between July 1, 1977 and June 30, 1978. If your institution had no students in attendance who **STARTED** a program between July 1, 1977 and June 30, 1978, list the starting dates for the instructional programs in chronological order for those programs which began between July 1, 1978 and September 30, 1978. Indicate month, day and year numerically. For example: 7/15/77.

Column i.
List the number of months during which the instructional program(s) for each starting date will be in session.

SECTION III

"First-time" applicants and applicants participating for the first time during the current Award Period, July 1, 1978 through June 30, 1979, which have no enrollment data prior to July 1, 1978 are required to complete this grid, and also Part D.

Determine the number of aid applicants enrolled in each income category *(lines 19-28)*. To do this, count the number of undergraduate and graduate students from whom you have on file a completed document using an approved need analysis system. *(See definition for enrolled aid applicant under instructions for Part B).*

INSTRUCTIONS FOR PART D

If your institution had no enrollment prior to July 1, 1978, but will have students in attendance during the current period July 1, 1978 through June 30, 1979, complete lines 1 and 2, Columns a and b. Institutions which will not be enrolling students for the first time until after July 1, 1979, complete lines 1 and 2, Column b.

Department of Health, Education, and Welfare
Office of Education
Washington, D.C. 20202

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.

FORM APPROVED
O.M.B. No.

SERIAL NUMBER (CSGB)

ENTITY NUMBER (EN)

1. TYPE	2. CONTROL	3. LEVEL

FISCAL OPERATIONS REPORT FOR THE 1977-78 AWARD PERIOD (July 1, 1977-June 30, 1978) AND APPLICATION TO PARTICIPATE July 1, 1979 through June 30, 1980 – NATIONAL DIRECT STUDENT LOAN, SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS AND COLLEGE WORK-STUDY PROGRAMS

NAME AND ADDRESS OF INSTITUTION *(Include city, state and ZIP code)*

COMPLETE APPROPRIATE PARTS OF THIS FORM AND RETURN BY OCTOBER 16, 1978 THE ORIGINAL AND TWO COPIES TO:

U. S. Office of Education
Bureau of Student Financial Assistance
Division of Program Operations
Campus and State Grants Branch
Washington, D.C. 20202

GENERAL INFORMATION (SEE INSTRUCTIONS)

ELIGIBILITY

(TO BE COMPLETED BY NONPARTICIPANTS IN THE 12 MONTHS ENDING JUNE 30, 1979)

4. HAVE YOU RECEIVED NOTIFICATION FROM THE DIVISION OF ELIGIBILITY AND AGENCY EVALUATION OF THE OFFICE OF EDUCATION OF YOUR ELIGIBILITY TO PARTICIPATE IN THESE PROGRAMS? ☐ YES ☐ NO

IF NOT, HAVE ALL REQUIRED MATERIALS BEEN SUBMITTED TO THE DIVISION OF ELIGIBILITY AND AGENCY EVALUATION? ☐ YES ☐ NO

MAINTENANCE OF LEVEL OF EFFORT

(SEE INSTRUCTIONS FOR TYPES OF FINANCIAL AID TO BE INCLUDED)

INSTITUTIONS WHICH PARTICIPATED IN CWSP AND/OR SEOGP IN 1977-78 COMPLETE THIS BLOCK.

5. INSTITUTIONAL SCHOLARSHIP AND STUDENT AID EXPENDITURES JULY 1, 1977 THROUGH JUNE 30, 1978

$

INSTITUTIONS WHICH RECEIVED CWSP AND/OR SEOGP AWARDS FOR THE FIRST TIME IN 1978-79 COMPLETE THESE BLOCKS ACCORDING TO INSTRUCTIONS.

INSTITUTIONAL SCHOLARSHIP AND STUDENT AID EXPENDITURES

6.	12 MONTHS ENDING 6/30/76	$
7.	12 MONTHS ENDING 6/30/77	$
8.	12 MONTHS ENDING 6/30/78	$
9.	TOTAL	$
10.	3-YEAR AVERAGE	$

MAINTENANCE OF LEVEL OF EFFORT

(JOB LOCATION AND DEVELOPMENT PROGRAM)

INSTITUTIONS WHICH USED A PORTION OF THEIR CWS FUNDS AUTHORIZED FOR THE 1977-78 AWARD PERIOD TO ESTABLISH OR EXPAND A JOB LOCATION AND DEVELOPMENT PROGRAM DURING THIS PERIOD COMPLETE THESE BLOCKS ACCORDING TO INSTRUCTIONS.

INSTITUTIONAL EXPENDITURES

11.	12 MONTHS ENDING 6/30/75	$
12.	12 MONTHS ENDING 6/30/76	$
13.	12 MONTHS ENDING 6/30/77	$
14.	TOTAL	$
15.	3-YEAR AVERAGE	$

INSTITUTIONS WHICH OPERATED A JOB LOCATION AND DEVELOPMENT PROGRAM AND USED CWS FUNDS AUTHORIZED FOR THE 1977-78 AWARD PERIOD COMPLETE THIS BLOCK.

16. INSTITUTIONAL EXPENDITURES FOR THE TWELVE MONTHS ENDING JUNE 30, 1978.

$

17. THE INSTITUTION DID NOT PARTICIPATE IN ANY OF THE NATIONAL DIRECT STUDENT LOAN, COLLEGE WORK-STUDY OR SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAMS IN THE 12 MONTHS ENDING JUNE 30, 1978. ☐

COLLEGE WORK-STUDY PROGRAM – WAIVER REQUESTS

18. CHECK IF YOU WISH TO APPLY AS A "DEVELOPING INSTITUTION" UNDER TITLE III OF THE HIGHER EDUCATION ACT OF 1965, AS AMENDED, FOR A PARTIAL WAIVER OF THE NON-FEDERAL SHARE OF CWS COMPENSATION TO STUDENTS DURING THE 12-MONTH PERIOD ENDING JUNE 30, 1980. (SEE INSTRUCTIONS) ☐

19. CHECK IF YOU WISH TO APPLY FOR A PARTIAL WAIVER OF THE NON-FEDERAL SHARE OF THE CWS COMPENSATION TO STUDENTS DURING THE 12-MONTH PERIOD ENDING JUNE 30, 1980, ON THE BASIS THAT AT LEAST 50 PERCENT OF THE STUDENTS ENROLLED HALF-TIME OR MORE DURING THE 12-MONTHS ENDING JUNE 30, 1979, HAVE PARENTS WHOSE ANNUAL ADJUSTED INCOME DOES NOT EXCEED $7,500 PER YEAR. ☐

OE FORM 646 (9/78)

PART I - GENERAL SECTION	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED O.M.B. No.
NAME OF INSTITUTION		SERIAL NUMBER (CSGB)

FISCAL/OPERATIONS REPORT
FOR THE 1977-78 AWARD PERIOD (July 1, 1977 – June 30, 1978)

SECTION A – NUMBER OF NDSL, SEOG, AND CWS AID RECIPIENTS IN THESE PROGRAMS DURING THE 1977-78 AWARD PERIOD BY RACIAL/ETHNIC DISTRIBUTION

RACE OR ETHNIC GROUP	UNDUPLICATED TOTAL	NDSL	SEOG	CWS
	RECIPIENTS a	RECIPIENTS b	RECIPIENTS c	RECIPIENTS d
1. BLACK *(not of Hispanic origin)*				
2. AMERICAN INDIAN OR ALASKAN NATIVE				
3. ASIAN OR PACIFIC ISLANDER				
4. HISPANIC				
5. WHITE *(not of Hispanic origin)*				
6. TOTAL *(sum of lines 1 through 5)*				

SECTION B – DISTRIBUTION OF AID RECIPIENTS BY SEX DURING THE 1977-78 AWARD PERIOD

SEX	UNDUPLICATED NUMBER OF AID RECIPIENTS a	NDSL RECIPIENTS b	SEOG RECIPIENTS c	CWS RECIPIENTS d
1. MEN				
2. WOMEN				
3. TOTAL *(sum of lines 1 and 2)*				

OE FORM 646 (9/78)

REPLACES OE FORM 1152-1, 5/77
WHICH IS OBSOLETE

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PART I – GENERAL SECTION *(continued)*	**PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.**	FORM APPROVED O.M.B. No.
NAME OF INSTITUTION		SERIAL NUMBER (CSGB)

SECTION C - NUMBERS OF AID RECIPIENTS AND AMOUNTS SPENT BY INCOME CATEGORY FOR UNDERGRADUATE DEPENDENT STUDENTS OR BY UNDERGRADUATE INDEPENDENT OR GRADUATE STATUS DURING THE 1977-78 AWARD PERIOD

▨	TOTAL	UNDERGRADUATE DEPENDENT						UNDERGRADUATE INDEPENDENT	GRADUATE
		$0 TO $5,999	$6,000 TO $11,999	$12,000 TO $17,999	$18,000 TO $23,999	$24,000 TO $29,999	$30,000 AND OVER		
	a	b	c	d	e	f	g	h	i
NDSL									
1. RECIPIENTS									
2. AMOUNT LENT									
SEOG INITIAL YEAR									▨
3. RECIPIENTS									▨
4. AMOUNT SPENT									▨
SEOG CONTINUING									▨
5. RECIPIENTS									▨
6. AMOUNT SPENT									▨
CWSP									
7. RECIPIENTS									
8. AMOUNT SPENT									
TOTAL									
9. UNDUPLICATED NUMBER OF RECIPIENTS									
10. AMOUNT SPENT									

☐ **CHECK IF ENTRIES ABOVE $12,000 LEVEL ARE ESTIMATIONS ONLY**

SECTION D - CERTIFICATION

WE CERTIFY that the information contained in this form is true and accurate to the best of our knowledge. We understand that these figures are subject to audit by representatives of the U.S. Commissioner of Education.

SIGNATURE OF DIRECTOR OF STUDENT FINANCIAL AID			SIGNATURE OF CHIEF FISCAL OFFICER		
TYPED NAME OF DIRECTOR		DATE SIGNED	TYPED NAME OF CHIEF FISCAL OFFICER		DATE SIGNED
AREA CODE	TELEPHONE NUMBER	EXTENSION	AREA CODE	TELEPHONE NUMBER	EXTENSION

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form may be subject to a fine of up to $10,000 or to imprisonment of up to 5 years or to both under provisions of the United States Criminal Code. Such provisions may include, among others, 18 U.S.C. 1001.

OE FORM 646 (9/78) REPLACES OE FORM 1152-1, 5/77, WHICH IS OBSOLETE

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PART II – NATIONAL DIRECT STUDENT LOAN PROGRAM	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED O.M.B. No.
NAME OF INSTITUTION		SERIAL NUMBER (CSGB)

SECTION A - FISCAL REPORT *(CUMULATIVE)* AS OF JUNE 30, 1978

NDSLP ACCT. NO.	ITEM a		NO. OF BORROWERS b	DEBIT BALANCES c	CREDIT BALANCES d
1	CASH ON HAND AND IN DEPOSITORY			$	
2	FUNDS RECEIVABLE FROM FEDERAL GOVERNMENT			$	
3	FUNDS RECEIVABLE FROM INSTITUTION			$	
4	FUNDS ADVANCED TO STUDENTS			$	
5	LOAN PRINCIPAL COLLECTED				$
5.1	DEFAULTED LOAN PRINCIPAL ASSIGNED TO AND ACCEPTED BY THE UNITED STATES				
6	LOAN PRINCIPAL CANCELLED ON LOANS MADE PRIOR TO JULY 1, 1972 *(control)*				$
6.1	TEACHING SERVICE - 10% RATE	$			
6.2	TEACHING SERVICE - 15% RATE	$			
6.3	MILITARY SERVICE - 12-1/2% RATE	$			
7	LOAN PRINCIPAL CANCELLED ON LOANS MADE JULY 1, 1972 AND AFTER *(control)*				$
7.1	TEACHING SERVICE - 15% RATE	$			
7.2	TEACHING SERVICE - 20% RATE1	$			
7.3	TEACHING SERVICE - 30% RATE	$			
7.4	MILITARY SERVICE - 12-1/2% RATE	$			
8	LOAN PRINCIPAL CANCELLED - DEATH				$
9	LOAN PRINCIPAL CANCELLED - DISABILITY				$
10	LOAN PRINCIPAL CANCELLED - BANKRUPTCY				$
11	LOAN PRINCIPAL ADJUSTMENTS - OTHER				$
12	FEDERAL CAPITAL CONTRIBUTIONS				$
13	REPAYMENTS OF FUND CAPITAL TO FEDERAL GOVERNMENT			$	
14	INSTITUTIONAL CAPITAL CONTRIBUTIONS				$
15	REPAYMENTS OF FUND CAPITAL TO INSTITUTION			$	
16	INTEREST INCOME ON LOANS				$
17	OTHER INCOME				$
18	REIMBURSEMENTS TO THE FUND OF AMOUNTS CANCELLED ON LOANS MADE JULY 1, 1972, AND AFTER				$
19	COSTS OF LITIGATION, ADMINISTRATIVE EXPENSES, AND OTHER COLLECTION COSTS *(control)*			$	
19.1	COSTS OF LITIGATION	$			
19.2	ADMINISTRATIVE EXPENSES	$			
19.3	OTHER COLLECTION COSTS	$			
20	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR TEACHING SERVICE ON LOANS MADE PRIOR TO JULY 1, 1972			$	
21	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR MILITARY SERVICE ON LOANS MADE PRIOR TO JULY 1, 1972			$	
22	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR TEACHING SERVICE ON LOANS MADE JULY 1, 1972, AND AFTER			$	
23	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR MILITARY SERVICE ON LOANS MADE JULY 1, 1972, AND AFTER			$	
24	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF DEATH			$	
25	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF DISABILITY			$	
26	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF BANKRUPTCY			$	
27	COST OF DEFAULTED LOAN PRINCIPAL AND INTEREST ASSIGNED TO AND ACCEPTED BY THE UNITED STATES				
27.1	OTHER COSTS OR LOSSES *(Specify)*			$	
28	**TOTAL DEBITS AND CREDITS** *(sum of lines 1 through 27.1)*			$	$

OE FORM 646 (9/78)

REPLACES OE FORM 1152-2, 5/77,
WHICH IS OBSOLETE

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PART II – NATIONAL DIRECT STUDENT LOAN PROGRAM *(continued)*	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED O.M.B. No.
NAME OF INSTITUTION		SERIAL NUMBER (CSGB)

SECTION B - FUND ACTIVITY *(ANNUAL)* DURING THE 1977-78 AWARD PERIOD (JULY 1, 1977 THROUGH JUNE 30, 1978)

1. NEW FEDERAL CAPITAL CONTRIBUTION AUTHORIZED FOR THE 1977-78 AWARD PERIOD	$
2. NEW FEDERAL CAPITAL CONTRIBUTION DEPOSITED IN THE LOAN FUND AND/OR REQUESTED FROM DFAFS BY JUNE 30, 1978.	$
3. PERCENT OF AUTHORIZED NEW FEDERAL CAPITAL CONTRIBUTION DEPOSITED IN THE LOAN FUND AND REQUESTED FROM DFAFS BY JUNE 30, 1978. *(line 2 divided by line 1 times 100)*	%
4. AMOUNT OF AUTHORIZED NEW FEDERAL CAPITAL CONTRIBUTION NOT REQUESTED FROM DFAFS BY JUNE 30, 1978 (line 1 minus line 2)	$
5. AMOUNT RECEIVED FROM THE OFFICE OF EDUCATION AS REIMBURSEMENT FOR PRINCIPAL AND INTEREST CANCELLED ON LOANS MADE ON OR AFTER JULY 1, 1972 BECAUSE OF TEACHING/MILITARY SERVICE. *(see instructions)*	$
6. LOANS ADVANCED TO STUDENTS FROM THE LOAN FUND DURING THE 1977-78 AWARD PERIOD *(excluding refunds)*	$
7. ADMINISTRATIVE EXPENSE ALLOWANCE FOR THE 1977-78 AWARD PERIOD *(generally may not exceed 4 percent of line 6; see instructions)*	$

8. REMARKS

OE FORM 646 (9/78)

REPLACES OE FORM 1152-2, 5/77,
WHICH IS OBSOLETE

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PART II - NATIONAL DIRECT STUDENT LOAN PROGRAM *(continued)*

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.

FORM APPROVED

O.M.B. No.

NAME OF INSTITUTION

SERIAL NUMBER (CSGB)

SECTION C – CUMULATIVE REPAYMENT INFORMATION AS OF JUNE 30, 1978

STATUS OF BORROWERS AS OF JUNE 30, 1978	NUMBER OF BORROWERS a	AMOUNT LENT b	PRINCIPAL AMOUNT REPAID OR CANCELLED c	LOAN PRINCIPAL ACCEPTED BY THE U.S. d	PRINCIPAL AMOUNT OUTSTANDING e	PRINCIPAL AMOUNT PAST DUE AND IN DEFAULT f	PRINCIPAL AMOUNT IN DEFERRED STATUS g
1. TOTAL NUMBER OF BORROWERS AND AMOUNT ADVANCED				▨			
2. BORROWERS WHOSE LOANS ARE FULLY RETIRED			▨	▨	▨	▨	▨
3. BORROWERS WHOSE DEFAULTED LOANS HAVE BEEN ASSIGNED TO AND ACCEPTED BY THE U.S.	▨	▨	▨	▨	▨	▨	▨
4. TOTAL BORROWERS NOT IN REPAYMENT STATUS *(sum of lines 4.1 through 4.4)*		▨	▨	▨		▨	▨
4.1 STUDENT STATUS AT YOUR INSTITUTION			▨	▨		▨	▨
4.2 STUDENT STATUS AT ANOTHER INSTITUTION			▨	▨		▨	▨
4.3 GRACE PERIOD			▨	▨		▨	▨
4.4 DEFERMENT		▨	▨	▨		▨	
5. BORROWERS ON SCHEDULE IN REPAYMENT STATUS		▨	▨	▨		▨	▨
6. BORROWERS WHOSE ACCOUNTS ARE CURRENTLY PAST DUE AND IN DEFAULT BY LENGTH OF TIME PAST DUE AND LENGTH OF TIME IN DEFAULT	▨	▨	▨	▨	▨	▨	▨
6.1 LESS THAN 120 DAYS *(monthly installments)*				▨			▨
6.2 LESS THAN 180 DAYS *(other installments)*				▨			▨
6.3 120 DAYS OR MORE UP TO 1 YEAR *(monthly installments)*				▨			▨
6.4 180 DAYS OR MORE UP TO 1 YEAR *(other installments)*				▨			▨
6.5 MORE THAN 1 YEAR UP TO 2 YEARS				▨			▨
6.6 MORE THAN 2 YEARS				▨			▨
6.7 TOTAL ACCOUNTS PAST DUE BUT NOT IN DEFAULT *(sum of lines 6.1 and 6.2)*				▨			▨
6.8 TOTAL ACCOUNTS IN DEFAULT *(sum of lines 6.3 through 6.6)*				▨			▨

OE FORM 646 (9-78) REPLACES OE FORM 1152-2, 8/77, WHICH IS OBSOLETE

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PART II - NATIONAL DIRECT STUDENT LOAN PROGRAM *(continued)*	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED O.M.B. No.
NAME OF INSTITUTION		SERIAL NUMBER (CSGB)

SECTION D – COLLECTION ACTIVITIES AS OF JUNE 30, 1978

1. INDICATE WHETHER OR NOT YOUR INSTITUTION CURRENTLY FOLLOWS THE COLLECTION PROCEDURES CONTAINED IN SUBPART C OF THE NDSL REGULATIONS	☐ YES ☐ NO
2. INDICATE WHETHER OR NOT YOUR INSTITUTION USES THE SERVICES OF A BILLING AGENCY. IF "YES," ENTER THE NAME AND ADDRESS OF THE AGENCY IN THE REMARKS SECTION BELOW.	☐ YES ☐ NO
3. INDICATE WHETHER OR NOT YOUR INSTITUTION USES THE SERVICES OF A COLLECTION AGENCY. IF "YES," ENTER THE NAME AND ADDRESS OF THE AGENCY IN THE REMARKS SECTION BELOW, AND DESCRIBE THE RATE STRUCTURE FOR COMMISSIONS USED BY THE AGENCY.	☐ YES ☐ NO

If you answered "YES" to line 3 above, complete lines 4 through 9 below. If you answered "NO" to line 3 above, complete lines 7 through 9.

	NUMBER OF BORROWERS a	AMOUNT b
4. DELINQUENT ACCOUNTS CURRENTLY ASSIGNED TO THE AGENCY INDICATED IN LINE 3 ABOVE		$
5. AMOUNT COLLECTED DURING THE 1977-78 AWARD PERIOD ONLY BY THE AGENCY INDICATED IN LINE 3 ABOVE		$
6. AMOUNT PAID TO THE COLLECTION AGENCY AS ITS FEE FOR THE AMOUNTS INDICATED IN LINE 5 ABOVE	▨	$
7. DELINQUENT ACCOUNTS CURRENTLY IN LEGAL PROCEEDINGS		$
8. BORROWERS WITH WHOM YOU HAVE LOST CONTACT		$
9. TOTAL PRINCIPAL AND INTEREST COLLECTED DURING THE 1977-78 AWARD PERIOD		$

10. REMARKS

OE FORM 646 (9/78) REPLACES OE FORM 1152-2, 5/77, WHICH IS OBSOLETE

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PART III - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED O.M.B. No.
NAME OF INSTITUTION		SERIAL NUMBER (CSGB)

AMOUNT SPENT IN THE SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM DURING THE 1977-78 AWARD PERIOD		INITIAL YEAR a	CONTINUING YEAR b	TOTAL *(a plus b)* c
1. ORIGINAL SEOG AUTHORIZATION		$	$	$
2. ADJUSTMENT TO ORIGINAL AUTHORIZATION	2.1 SUPPLEMENTAL AWARD	$	$	$
	2.2 RELEASE OF FUNDS	$	$	$
3. FINAL ADJUSTED SEOG AUTHORIZATION		$	$	$
4. AMOUNT TRANSFERRED FROM CWS AND SPENT IN SEOG		$	$	$
5. AMOUNT SPENT FOR AWARDS TO STUDENTS		$	$	$
6. ADMINISTRATIVE EXPENSE ALLOWANCE *(not to exceed 4 percent of line 5)*		$	$	$
7. SEOG AMOUNT TRANSFERRED TO AND SPENT IN CWS		$	$	$
8. TOTAL EXPENDITURES FROM SEOG AUTHORIZATION *(sum of lines 5, 6, and 7 minus line 4)*		$	$	▨
9. UNEXPENDED SEOG AUTHORIZATION *(line 3 minus line 8)*		$	$	▨
10. PERCENT OF FINAL ADJUSTED AUTHORIZATION WHICH WAS EXPENDED DURING THE 1977-78 AWARD PERIOD *(line 8 divided by line 3 times 100)*		%	%	▨

▨	AMOUNT
11. INTEREST EARNED BY SEOG FUNDS DURING THE 1977-78 AWARD PERIOD	$
12. ELIGIBLE MATCHING FUNDS PROVIDED TO SEOG RECIPIENTS DURING THE 1977-78 AWARD PERIOD *(July 1, 1977-June 30, 1978)*	$

13. REMARKS

PART IV - COLLEGE WORK STUDY PROGRAM	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED O.M.B. No.
NAME OF INSTITUTION		SERIAL NUMBER (CSGB)

SECTION A - AMOUNT SPENT IN THE COLLEGE WORK-STUDY PROGRAM DURING THE 1977-78 AWARD PERIOD		AMOUNT
1. ORIGINAL CWS AUTHORIZATION		$
2. ADJUSTMENT TO ORIGINAL AUTHORIZATION	2.1 SUPPLEMENTAL AWARD	$
	2.2 RELEASE OF FUNDS	▨
3. FINAL ADJUSTED CWS AUTHORIZATION		$
4. AMOUNT TRANSFERRED FROM SEOG AND SPENT IN CWS		$
5. CWS FUNDS USED FOR JOB LOCATION AND DEVELOPMENT *(not to exceed 10 percent of line 3 or $15,000 whichever is less)*		$
6. TOTAL EARNED COMPENSATION		$
7. INSTITUTIONAL SHARE		$
8. FEDERAL SHARE		$
9. ADMINISTRATIVE EXPENSE ALLOWANCE *(not to exceed 4 percent of line 6)*		$
10. CWS AMOUNT TRANSFERRED TO AND SPENT IN SEOG		$
11. TOTAL FEDERAL EXPENDITURES FROM CWS AUTHORIZATION *(sum of lines 5, 8, 9, and 10 minus line 4)*		$
12. UNEXPENDED CWS AUTHORIZATION *(line 3 minus line 11)*		$
13. PERCENT OF FINAL ADJUSTED AUTHORIZATION WHICH WAS EXPENDED DURING THE 1977-78 AWARD PERIOD *(line 11 divided by line 3 times 100)*		%
14. INTEREST EARNED		$

REPORT OF ON-CAMPUS AND OFF-CAMPUS EMPLOYMENT DURING THE 1977-78 AWARD PERIOD *(July 1, 1977 through June 30, 1978)*	NUMBER OF STUDENTS a	FEDERAL SHARE b
15. ON-CAMPUS EMPLOYMENT	#	$
16. OFF-CAMPUS EMPLOYMENT	#	$

SECTION B - JOB LOCATION AND DEVELOPMENT ACTIVITIES AS OF JUNE 30, 1978	AMOUNT
1. TOTAL AMOUNT SPENT FOR JOB LOCATION AND DEVELOPMENT	$
2. INSTITUTIONAL SHARE *(not less than 20 percent of line 1)*	$
3. FEDERAL SHARE *(line 1 minus line 2)*	$
4. NUMBER OF ENROLLED STUDENTS FOR WHOM JOBS WERE LOCATED OR DEVELOPED	#
5. TOTAL EARNINGS OF STUDENTS INDICATED IN LINE 4 ABOVE	$

6. REMARKS

OE FORM 646 (9/78) REPLACES OE FORM 1152-4, 5/77, WHICH IS OBSOLETE

COPY 1 – OE FILE COPY

Department of Health, Education, and Welfare Office of Education Washington, D.C. 20202	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED O.M.B. No.
NAME OF INSTITUTION	ADDRESS *(street, city, state, and ZIP code)*	SERIAL NO. (CSGB)

APPLICATION FOR THE AWARD PERIOD JULY 1, 1979 THROUGH JUNE 30, 1980

PART A

To be completed by **ALL** institutions requesting participation in one or more of the campus-based programs (National Direct Student Loan, Supplemental Educational Opportunity Grants, and College Work-Study) during the 1979-80 Award Period.

Based upon your institution's approved need analysis system, enter in the boxes provided below the total amount of funds which you can utilize in the operation of these programs at your institution during the 1979-80 Award Period. Enter "NA" for any program in which you are not requesting participation.

1. NDSL LEVEL OF EXPENDITURES	2. FEDERAL CAPITAL CONTRIBUTION	3. SEOG INITIAL YEAR	4. SEOG CONTINUING YEAR	5. CWS FEDERAL FUNDS
$	$	$	$	$

PART B

IMPORTANT: BEFORE ATTEMPTING TO COMPLETE THE FOLLOWING INFORMATION, PLEASE REFER TO THE INSTRUCTIONS AND DEFINITIONS FOR THIS PART.

Lines 1 and 3 through 17.	To be completed by applicant institutions which participated in one or more of these programs during the Award Period July 1, 1977 through June 30, 1978.
Lines 2 through 6.	To be completed by "first-time" applicants and applicant institutions which are participating in one or more of these programs for the first time during the current award period, July 1, 1978 through June 30, 1979.

		UNDERGRADUATE a	GRADUATE/ PROFESSIONAL b
1.	ACTUAL NUMBER OF FULL-TIME AND PART-TIME STUDENTS ATTENDING YOUR INSTITUTION DURING THE FALL TERM, 1977.		
2.	ACTUAL NUMBER OF STUDENTS ENROLLED AND STARTED AT YOUR INSTITUTION AS OF JULY 1, 1978		
3.	TOTAL REVENUE RECEIVED FOR TUITION AND FEES FOR THE AWARD PERIOD JULY 1, 1977 TO JUNE 30, 1978		
4.	TOTAL AWARDS MADE TO STUDENTS UNDER THE BEOG PROGRAM DURING THE AWARD PERIOD JULY 1, 1977 TO JUNE 30, 1978		▨
5.	TOTAL OF STATE GRANT AND SCHOLARSHIP AWARDS MADE TO UNDERGRADUATE STUDENTS DURING THE AWARD PERIOD JULY 1, 1977 TO JUNE 30, 1978		▨
6.	TOTAL OF INSTITUTIONALLY ADMINISTERED GRANTS AND SCHOLARSHIP AWARDS MADE TO UNDERGRADUATE STUDENTS DURING THE AWARD PERIOD 7-1-77–6-30-78.		▨

NOTE: "First-time" applicants and applicant institutions which are participating in one or more of these programs for the first time during the current Award Period July 1, 1978 through June 30, 1979 proceed immediately to Part C. All others complete the income grid below

NUMBER OF ELIGIBLE AID APPLICANTS ENROLLED AT LEAST HALF-TIME DURING THE 1977-78 AWARD PERIOD BY TYPE OF STUDENT AND INCOME CATEGORY

	TOTAL INCOME INCLUDING TAXABLE AND NON-TAXABLE	UNDERGRADUATE DEPENDENT a	GRADUATE/ PROFESSIONAL DEPENDENT b	TOTAL INCOME INCLUDING TAXABLE AND NON-TAXABLE	UNDERGRADUATE DEPENDENT c	GRADUATE/ PROFESSIONAL DEPENDENT d
7.	$0 TO $5,999			$0 TO $999		
8.	$6,000 TO $8,999			$1,000 TO $1,999		
9.	$9,000 TO $11,999			$2,000 TO $2,999		
10.	$12,000 TO $14,999			$3,000 TO $3,999		
11.	$15,000 TO $17,999			$4,000 TO $4,999		
12.	$18,000 TO $20,999			$5,000 TO $5,999		
13.	$21,000 TO $23,999			$6,000 TO $6,999		
14.	$24,000 TO $26,999			$7,000 TO $7,999		
15.	$27,000 TO $29,999			$8,000 TO $8,999		
16.	$30,000 AND OVER			$9,000 AND OVER		
17.	TOTAL			TOTAL		

OE FORM 646 (9/78)

Department of Health, Education, and Welfare Office of Education Washington, D.C. 20202	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED O.M.B. No.
NAME OF INSTITUTION		SERIAL NO. (CSGB)

PART C
ENROLLMENT DATA

	TYPE OF STUDENT AND ATTENDANCE STATUS						SECTION I PRIOR YEAR DATA (See Instructions)				
	UNDERGRADUATE			GRADUATE/PROFESSIONAL			NUMBER OF STUDENTS ATTENDING ON JULY 1, 1977 g	STARTING DATE MO./DAY/YR. h			LENGTH OF COURSE (IN MONTHS) i
	FT a	3/4 T b	HT c	FT d	3/4 T e	HT f					
1.											
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											

	TYPE OF STUDENT AND ATTENDANCE STATUS						SECTION II NEW STARTS (See Instructions)				
	UNDERGRADUATE			GRADUATE/PROFESSIONAL			NUMBER OF STUDENTS STARTING AFTER JULY 1, 1977 g	STARTING DATE MO./DAY/YR. h			LENGTH OF COURSE (IN MONTHS) i
	FT a	3/4 T b	HT c	FT d	3/4 T e	HT f					
10.											
11.											
12.											
13.											
14.											
15.											
16.											
17.											
18.											

SECTION III (See Instructions)

NUMBER OF ELIGIBLE AID APPLICANTS ENROLLED AT LEAST HALF-TIME DURING THE PERIOD JULY 1, 1978 THROUGH SEPTEMBER 30, 1978 BY TYPE OF STUDENT AND INCOME CATEGORY

TOTAL INCOME INCLUDING TAXABLE AND NON-TAXABLE	UNDERGRADUATE DEPENDENT a	GRADUATE/ PROFESSIONAL DEPENDENT b	TOTAL INCOME INCLUDING TAXABLE AND NON-TAXABLE	UNDERGRADUATE DEPENDENT c	GRADUATE/ PROFESSIONAL DEPENDENT d
19. $0 TO $5,999			$0 TO $999		
20. $6,000 TO $8,999			$1,000 TO $1,999		
21. $9,000 TO $11,999			$2,000 TO $2,999		
22. $12,000 TO $14,999			$3,000 TO $3,999		
23. $15,000 TO $17,999			$4,000 TO $4,999		
24. $18,000 TO 20,999			$5,000 TO $5,999		
25. $21,000 TO $23,999			$6,000 TO $6,999		
26. $24,000 TO $26,999			$7,000 TO $7,999		
27. $27,000 TO $29,999			$8,000 TO $8,999		
28. $30,000 AND OVER			$9,000 AND OVER		
29. TOTAL			TOTAL		

PART D
TO BE COMPLETED BY INSTITUTIONS HAVING NO ENROLLMENT DATA PRIOR TO JULY 1, 1978

TYPE OF STUDENT	ESTIMATED a 12 Months ending June 30, 1979 Fall 1978 or 7/1/78—6/30/79	PROJECTED b 12 Months ending June 30, 1980 Fall 1979 or 7/1/79—6/30/80
1. UNDERGRADUATE (FULL- AND AT LEAST HALF—TIME)		
2. GRADUATE/PROFESSIONAL (FULL- AND AT LEAST HALF-TIME)		

OE FORM 646 (9/78)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BUREAU OF STUDENT FINANCIAL ASSISTANCE
DIVISION OF STUDENT FINANCIAL AID

Closing date for receipt of applications: OCTOBER 25, 1977

Registered or certified mail postmark date: OCTOBER 20, 1977

INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS

JULY 1, 1978 THROUGH JUNE 30, 1979

COLLEGE WORK-STUDY PROGRAM (CFDA No. 13.463)

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM (CFDA No. 13.418)

NATIONAL DIRECT STUDENT LOAN PROGRAM (CFDA No. 13.471)

(OE Form 1036, 9/77)

DATED MATERIAL - OPEN IMMEDIATELY

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BUREAU OF STUDENT FINANCIAL ASSISTANCE
WASHINGTON, D.C. 20202

September 1977

Dear President:

The purpose of this letter is to transmit the necessary documents for your use in applying for funds under the National Direct Student Loan, College Work-Study and Supplemental Educational Opportunity Grants Programs for the 1978-79 Award Period. It is worthwhile to note that this is the 20th anniversary of the NDSL Program, the very first applications for Federal capital having been submitted for the 1958-59 academic year. You will find enclosed with this letter:

a) Two copies of the 1978-79 application to participate in the Federal student aid programs;

b) Instructions for completing the forms;

c) One copy of the criteria to be used in the regional review panels;

d) Mailing addresses of the OE Regional Offices.

Standard Form 424, prescribed by GSA, covering Sections I-IV has been employed, and, in keeping with the President's program to reduce paperwork and reporting requirements, all but the most essential data elements have been eliminated.

Since certain key expenditure elements contained in the 1976-77 Fiscal Operations Report are necessary for completing the 1978-79 application, it is essential that your institution's report be filed with the Office of Education.

The basic purpose of this application is to assist each applicant institution in creating a true projection of its requirement for Federal student aid funds in 1978-79. First, each applicant (other than institutions which did not participate in 1976-77) must develop a projected expenditure base using either the 1976-77 experience when applicable or a 1977-78 estimated expenditure level responsive to actual dollar use rates in 1976-77. Enrollment and general cost increase criteria are part of a formula used in producing a requested expenditure limit in this process. Second, based on a critical analysis of its defined need for Federal funds, an institution may submit its own justification for additional program funds above and beyond the formula produced limit.

Each applicant must understand, from the outset, that the augmented requests (Section IX of the application), if recommended for support by the review panels, may only result in an actual dollar increase for one institution at the expense of all other institutions within the State.

Potential Fund Availability

At this writing, the Congress has before it in the Conference Report on the Fiscal Year 1978 Appropriations Request, the budget items as shown in Column (c) below:

(in millions)

Program:	Actual 1976 (a)	Actual 1977 (b)	Proposed 1978 (c)
NDSL-FCC	$321	$310.5	$310.5
SEOG	240	250	270
CWS	390	390	435

We expect applications from 4,000 currently participating institutions and 250 new first-time applicants. The amount of Federal funds shown in column (c) above will, if appropriated, all be taken up by the expenditure level projections for 1978-79.

Panel Criteria

As you will discover from reviewing the enclosed panel guidelines - which will be applied uniformly by all ten regional panels - three areas will be of critical concern to these groups. The first of these is the group of new applicants or first-time participants in 1977-78 whose requests for funds will be assessed against the experience of like institutions within the State or other area.

The second has to do with institutional expenditure history for 1976-77, and, where applicable, the impact of this history upon projected expenditures for 1977-78.

Third, and most important, is the panel review of augmentation requests. Since each approved augmentation will withdraw some funds, however small, from all other schools in the State, panels are to be instructed to reject all such requests save those clearly and unmistakably supported by verifiable and reasonable justification. Further, each augmentation request for funds, no matter how large or small, will either be accepted or rejected *in toto*, for a specific program. Panels will not be permitted to approve parts or portions of such augmentation requests. The panel decision on an augmented request which is not accepted may be appealed at the regional level. Additional justification data may be submitted. However the original dollar figures and support data may not be changed. In short, an institution may not recast an augmentation request in different terms and for different dollar values on an appeal. The same principle holds true for the national panel.

In most instances, the formula produced limit on expenditures will, with or without an augmentation request, represent an approximation of the Federal dollar requirement within the institution for 1978-79. In a few cases, this limit may be too high and the applicant institution may wish to reduce it. The entries in items 69 through 72 on the application should follow existing program expenditure levels. Historically, institutions have been allowed to move funds among the various programs within a panel approved recommendation for an overall amount. Since this was always a hypothetical figure, the few institutions which elected to shift funds, did so on a hypothetical basis. In contrast, we are working with hard dollar amounts in this application. Shifts among programs should be done only in extreme circumstances and for good and substantial reasons.

All regional student aid staffs plan a series of application workshops which began on September 19. We urge that your institution be represented at one of these. If you are a new, first-time applicant, attendance is essential.

Please submit an original application (which must contain the original signatures of institutional officials) and 4 duplicate copies to your Regional Office. (You should also retain an additional copy in your institution's files.) All copies submitted must be clear and legible. Therefore, it is strongly recommended that the institution's application entries be typed, if this is at all possible.

MAIL ALL 5 COPIES OF THE COMPLETED APPLICATION TO THE REGIONAL OFFICE FOR THE STATE IN WHICH YOUR INSTITUTION IS LOCATED. (See the enclosed regional listing.)

APPLICATIONS MUST BE RECEIVED IN THE APPROPRIATE REGIONAL OFFICE NO LATER THAN October 25, 1977.

CERTIFIED MAIL SHOWING A U.S. POSTAL SERVICE POSTMARK ON OR BEFORE OCTOBER 20, 1977 HAS COMPLIED WITH THE DEADLINE.

DO NOT MAIL TO WASHINGTON, D.C.

Institutions whose eligibility for participation in these programs has not yet been certified by the Office of Education's Division of Eligibility and Agency Evaluation (DEAE) may submit an application for any or all of these programs by the deadline date specified above. However, in order to receive funds for the Award Period 1978-79 for any of the programs, an institution must be certified as an eligible institution by the DEAE. It is each institution's responsibility to insure that the DEAE is in receipt of all necessary materials to determine an institution's eligibility status by January 23, 1978. If your institution's eligibility has not yet been established, it is most important that you initiate eligibility proceedings immediately by contacting:

Mr. John R. Proffitt
Division of Eligibility and Agency Evaluation
Bureau of Higher and Continuing Education
U.S. Office of Education
Washington, D.C. 20202

You and your student financial aid administrator should arrange to file a complete application promptly. Letters to institutions announcing the award of funds for the 1978-79 Award Period, based on this application, will be sent in early March 1978.

Our final comment in closing is important. As is obvious, the enclosed application differs markedly from the earlier version used prior to this year. Its use will require some modification of pertinent elements in the regulations which govern the NDSL, SEOG and CWS Programs.

To insure appropriate public comment on the proposal for changes, in early July we circulated advance copies of those portions of the Notice of Proposed Rulemaking for the College Work-Study Program which the Secretary signed on September 6 and which will be published in the Federal Register soon. More than 300 letters of suggestion and critical comment were received by August 20, 1977. The enclosed application, both as to form and content, was modified substantially on the basis of these comments. Therefore, it is no longer necessary that institutional personnel send us suggestions for changes in the application form itself, even though the official Notice of Proposed Rulemaking contains the same wording in Sections 175.5 and 175.6 as the draft we sent you in July.

Sincerely yours,

James W. Moore

James W. Moore
Director
Division of Student Financial Aid

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

INSTRUCTIONS

INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS
(For the period July 1, 1978 through June 30, 1979)

This form shall be used by institutions applying for Federal assistance under the following programs:

Program	Catalog of Federal Domestic Assistance Number
College Work-Study	13.463
Supplemental Educational Opportunity Grants	13.418
National Direct Student Loan	13.471

No award may be granted unless a completed application form has been received (Public Law 88-452, as amended, 42 U.S.C. 2756, College Work-Study Program; Public Law 92-318, 20 U.S.C. 1070b-3, Supplemental Educational Opportunity Grants Program; Public Law 92-318, 20 U.S.C. 1087bb, National Direct Student Loan Program).

Submit an original application (which must contain the original signature of institutional official) and 4 duplicate copies to your Regional Office.

NOTE: All institutions covered under a single application, whether branches or members of a consortium, must be located in the same State. If any institutional branch or member institution of a consortium is not currently eligible to participate, submit a separate application for that branch or institution and do not include it in this application.

All branches covered under this application must be under the control of a single legal entity. A designated grantee may file a single application for member institutions of a consortium which are applying only for the College Work-Study Program.

SECTIONS I, II, III, IV

The first four sections consist of the standard face page for Federal applications and the concomitant instructions. The College Work-Study, Supplemental Educational Opportunity Grants and National Direct Student Loan Programs are not presently included as programs under OMB Circular No. A-95, the regulations for facilitating coordinated planning under the Intergovernmental Cooperation Act of 1968; therefore clearinghouse notification is not mandated. However, applicants should be aware that in various states, state law requires review of applications for Federal assistance under various programs not covered by OMB Circular No. A-95. Implementation of such laws is enforced through state rules and regulations, and applicants are urged to ascertain the existence of such laws and to acquaint themselves with applicable state procedures. Clearinghouses are the proper source of information on additional review requirements. Applicants are encourage to check with appropriate Federal Regional Office to obtain the name(s) and address(es) of the clearinghouses.

The following SUPPLEMENTAL instructions for the items given below are to be used in lieu of or along with the standard instructions for the items:

Item 1. Preprinted.

Item 4a.

If your institution submitted an application under a different name last year, put an asterisk (*) after the name and note the old name in Section IV (Remarks).

If the applicant is a consortium applying for the College Work-Study Program, enter a double asterisk (**) after the name and list the name and address of each member in Section IV (Remarks).

An institution which is or will be a member of a consortium but which is filing a separate application should enter a triple asterisk (***) after the institution's name and list in Section IV (Remarks) the name and address of the grantee designated to receive CWS funds from the institution for expenditure through the consortium.

Item 4b. If funds are to be used at more than one branch, put an asterisk (*) in item 4b and list the name and address of each branch in Section IV (Remarks).

Item 4h. Enter the name and telephone number of the Director of Student Financial Aid.

Item 5. If your organization has been assigned a DHEW entity number consisting of the IRS employer identification number prefixed by "1" and suffixed by a two digit number, enter the full DHEW entity number rather than the employer identification number assigned by the IRS. New applicants enter "1" and the IRS employer identification number.

Item 7. Preprinted.

Item 8. Preprinted.

Item 9. Enter "A" if applying for the College Work-Study Program and/or the Supplemental Educational Opportunity Grants Program. Enter "C" if applying for the National Direct Student Loan Program. Enter both "A" and "C" if applying for the National Direct Student Loan Program and either of the other two programs.

Item 10. Preprinted.

Item 11. Preprinted.

Item 13a. Enter total amount of Federal funds requested.

Item 15. Preprinted.

Item 16. Preprinted.

Item 17. Preprinted.

Item 19. Enter the DSFA Serial Number by listing only the last four digits of the document number which identifies allocations issued to your institution for operation of these programs under the Division of Student Financial Aid. An institution with a document number of P007719999 would enter the numerals 9999. This number appears on your institution's official allocation letter(s) for NDSL, SEOG, and CWS for the 1977-78 Award Period. Institutions which are not currently participating in any of the three programs have not been issued a document number and should enter "NEW" in item 19.

Item 20. Preprinted.

Item 23. Enter name, title and signature of the individual who is authorized by the institution or consortium to submit this application and whose signature constitutes adoption of the application by the institution or consortium (e.g. president, chancellor, owner).

INSTRUCTIONS FOR PREPARING SECTIONS V-XII
INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS
(OE Form 1036)
July 1, 1978 through June 30, 1979

General Instructions

A. ALL ACTUAL FIGURES ON THIS APPLICATION ARE SUBJECT TO AUDIT. DO NOT USE ESTIMATES WHEN INSTRUCTED TO USE ACTUAL DOLLARS, NUMBER OF STUDENTS OR PERCENTAGES.

B. Exclude from all student entries (including enrollment) foreign students, high school students, students enrolled less than half-time, and student enrolled in an ineligible curriculum.

C. Check arithmetic carefully. Errors will be corrected at the discretion of the government.

D. In the development of this application you must use a need analysis system approved by the Commissioner for this purpose and published in the Federal Register on Thursday, August 26, 1976, to determine the total amount of aid to be awarded students under the National Direct Student Loan, College Work-Study, and Supplemental Educational Opportunity Grants Programs in the 12 month period ending June 30, 1979.

E. Refer questions to your Regional Office.

SECTION V

LINES 39-41, select the correct code below:

Line 39 (Type)

1-University (or graduate/professional school)
2-Other 4 year (baccalaureate degree-granting only)
3-Two-year
4-Area vocational-technical school
5-Other

Line 40 (Control)

1-Public
2-Private, non-profit
3-Proprietary

Line 41 (Level)

1-One year or less
2-Two years
3-Three years
4-Four years
5-Five years or more
6-Postbaccalaureate only

LINES 45-50, MAINTENANCE OF LEVEL OF EFFORT: Include in your maintenance calculations institutional scholarship and student aid expenditures (including student employment) given to any student regardless of whether he is needy or not. Also include funds controlled by the institution and awarded as scholarship and other forms of aid but which derive from outside organizations.

Expenditures to be included in your maintenance of level figures are as follows: Institutional grants-in-aid; institutional scholarships, including athletic scholarships and State scholarships which are controlled and administered by the institution; institutional waivers of tuition or fees; institutional student loans; Federally Insured Student Loans if the institution acts as the lender; institutional share of United Student Aid Funds, Inc., College Reserve Program; institutional share of nursing and health professions financial aid programs; institutional share of NDSLP; institutional share of CWSP (limited to on-campus institutional share, unless the institution has provided off-campus matching share from its own funds); institutional employment (exclusive of Federal share of CWSP); student wages from employment contracted by an institution with a private concern, with a provision that a given number of student jobs (not paid from CWS funds) are in the contract. In the area of student employment, all work performed by students for the institution is to be included regardless of whether or not it is based on financial need. Count actual cash payments and the fair cash value of payments made in services in return for work performed by students. The only exception involves special cases where unusual circumstances cause a temporary employment situation which is completely unrelated to the normal work program. Permission to exclude any employment payments from maintenance of effort computations must be obtained from your Regional Office.

The following sources of aid cannot be used in computing the institutional maintenance of level: State scholarships which are not administered and controlled by the institution; scholarships, grants, or gifts which are not administered and controlled by the institution and are given directly to students by groups or organizations outside the institution; loans from outside sources which are not subject to control by the institution; deferrals of tuition payments, etc., which are not actually loans, but merely bookkeeping arrangements not involving a loan note or loan repayment; Basic Educational Opportunity Grants; Supplemental Educational Opportunity Grants; Cuban Loans; Federally Insured Student Loans unless the institution is the lender; student employment not managed and controlled by the institution; income from jobs financed by the Federal government through research under a Federal grant; Federal share of NDSLP; Federal share of CWSP; Federal share of nursing and health professions financial aid programs; Social Security Benefits; payments under the GI Bill; benefits to war orphans; vocational rehabilitation payments; ROTC and NROTC scholarships; specialized programs of various Federal agencies, e.g. BIA, LEAA, etc.

Line 45: Institutions which participated in CWSP and/or SEOGP in the 12 months ending June 30, 1977 and failed to maintain the previously established average must explain the reason for the failure in the Narrative, Section XII.

Lines 46-50, Establishing the Average:

Institutions in existence in the three years indicated on the form (lines 46 through 48) must divide the total (line 49) by 3 to determine the average (line 50) whether an entry is present in all three years or not.

Institutions not in existence during 1 or more of the years enter "not in existence" for the appropriate year(s). Divide the total (line 49) by "1" or "2" as appropriate to determine the average.

Lines 52-54, Enrollment Data: The following definitions apply to enrollment data and all other student entries on the form:

Student Definitions

Undergraduate student. A student who 1) is in attendance at an institution of higher education and 2) has not earned his first baccalaureate or professional degree. A student who has not earned his first baccalaureate or professional degree and who is enrolled in a program of study at the postsecondary level which is designed to extend for more than four academic years shall not be considered an undergraduate student in that portion of the program that involves study beyond the fourth academic year unless that program leads to a first degree and is designed to extend for a period of five academic years.

Note that for purposes of completing the enrollment data on this application, a student who has already received his first baccalaureate or professional degree is considered to be a graduate student even if he is enrolled in an undergraduate course of study at a college or proprietary institution. This student would not be eligible to participate in the Supplemental Educational Opportunity Grants Program.

Graduate Student. A student who is in attendance and who has ceased being an undergraduate student.

Full-time student. A student who is carrying a full-time academic work.load in terms of course work or other required activity as determined by the institution. In the case of institutions which do not use semester, trimester or quarter hours, this means at least 24 clock hours per week.

Half-time student. A student who is carrying at least one-half but less than the normal full-time academic work load in terms of course work or other required activity as determined by the institution. Such course work and activities must amount to the equivalent of 1) six semester hours or six quarter hours per academic term for institutions utilizing semester, trimester, or quarter hour systems; 2) twelve semester hours or eighteen quarter hours per academic year for institutions which measure progress in terms of credit hours but which do not utilize semester, trimester, or quarter systems; or 3) twelve clock hours per week for institutions which utilize clock hours.

Selecting the Enrollment Period

Most institutions will choose to enter fall enrollment figures. Proprietary and other institutions, for which fall enrollment does not give the best measure of the number of students served by the institution, may elect to enter full year figures for the period indicated on the form.

SECTION VI

Lines 55, 55.1 and 55.2: Distribute students in lines 55.1 and 55.2 according to the place where the most money will be earned. Count each student once. The sum of lines 55.1 and 55.2 must equal line 55.

Line 56: Federal funds are limited to the sum of:
An amount which is no more than 80% of student wages, AND
An administrative allowance which is 4% of total student wages (both Federal and non-Federal, AND
An amount for job placement activities (42 U.S.C. 2756a) which cannot exceed 10% of the allocation, or $15,000, whichever is less.

Line 57: Continuing Year Grants are limited to those students who received Supplemental Educational Opportunity Grants in the preceding academic year. Institutions not presently participating in the SEOG Program would have no Continuing Year grants unless they had eligible transfer students. If there are extenuating circumstances, provide the appropriate entries in the "Continuing Year" column and explain the circumstances in the Narrative, Section XII.

Line 58: The funds for the Supplemental Educational Opportunity Grants Program are all Federal. Include a 4% administrative allowance. The maximum Supplemental Educational Opportunity Grant is $1,500, which must be matched with other student aid funds. If you do not presently participate in the SEOG Program, state in the Narrative, Section XII, what funds you propose to use to match these grants.

Line 60: New applicants, column (b) only: No more than 90% Federal funds, not less than 10% institutional funds plus an administrative allowance of 4%.

SECTION VII

Lines 61 through 64, Secure entries for column (a) - Expenditures - as follows:

Application Line	From Award Period 1976-77 Fiscal Operations Report (OE 1152)
61 (a) (CWS)	The sum of lines 7 and 8 of Part IV
62 (a) (SEOG-Initial Year)	The sum of lines 5(a) and 6(a) of Part III
63 (a) (SEOG-Continuing Year)	The sum of lines 5(b) and 6(b) of Part III
64 (a) (NDSL-Level of Lending)	To the sum of lines 5 and 6 of Part II, Section B, add your litigation/collection costs* for the 12 months ending June 30, 1977.

(*Litigation/collection costs: Subtract the sum of lines 19.1(a) and 19.3(a), Part II, Section A, of your Fiscal Operations Report of June 30, 1976, from the sum of the same two lines on your Award Period 1976-77 Fiscal-Operations Report in order to secure an annual figure.)

Lines 61 through 64, Secure entries for column (d) - AWARD PERIOD 1977-78 AUTHORIZATION TIMES PROJECTION RATE - through the following calculations:

Application Line (d)		Award Period 1977-78 Authorization (b)		Projection Rate (lines refer to Award Period 1976-77 Fiscal Operations Report - OE 1152 - unless otherwise indicated in instruction) (c)
61 (CWS)	=	Amount in allocation letter, normally dated May 24, 1977	X	Percentage in line 12, Part IV
62 (SEOG-Initial Year)	=	Initial year amount in allocation letter, normally dated May 24, 1977	X	Percentage in line 10(a), Part III
63 (SEOG-Continuing Year)	=	Continuing year amount in allocation letter, normally dated May 24, 1977	X	Percentage in line 10(b), Part III
64 (NDSL - Level of Lending)	=	The sum of the: 1. Federal Capital Contribution in allocation letter, normally dated May 24, 1977; AND 2. Institutional Capital Contribution, normally one-ninth of FCC; AND 3. Cash on hand June 30, 1977 (sum of lines 1, 2 and 3 of Part II, Section A, Award Period 1976-77 Fiscal Operations Report); AND 4. Estimated collections and other income to be	X	Divide the sum of: 1. Lines 5 and 6 of Part II, Section B; AND 2. Litigation/collection costs* for the 12 months ending June 30, 1977. By the sum of: 1. Lines 4, 5 and 6 of Part II, Section B; AND 2. One-ninth of Line 4, Part II, Section B; AND 3. Litigation/collection costs* for the 12 months ending June 30, 1977; AND 4. Lines 1, 2 and 3 of Part II, Section A

received including any actual reimbursement received in September 1977 for amounts cancelled on loans made after June 30, 1972.	(*See litigation/collection cost calculation under Instructions, Line 64 (a).)

LINE 67, ENROLLMENT FACTOR: The Enrollment Factor computation should be carried to two places beyond the decimal point.

LINES 69 Through 72, RESTRICTIONS ON FORMULA LIMIT DISTRIBUTION:

If you request Augmentation in a program, you may not decrease the funds in that program. The following formula should be applied:

EXAMPLE, CWS: (61d ÷ 65d) X (68a if "a" was selected; otherwise 68d) = Box 69

You may redistribute the funds from one program to another within the Formula Limit. The increase to any program, however, may not exceed 10%. The following formula should be applied:

EXAMPLE, SEOG (IY): (62d ÷ 65d) X (1.1) X (68a if "a" was selected, otherwise 68d) = Box 70

If you do not request funds for a program in which you presently particpate, you may increase the other programs by no more than 10%. Funds remaining in the Formula Limit are lost.

If you add a program in which you do not presently participate, the Formula Limit must be distributed to include the new program. A program which is reduced as a result may not be submitted for Augmentation.

SECTION VIII

Instructions for Section VIII appear on the form.

SECTION IX

RESTRICTIONS ON APPROVAL OF AUGMENTATION:

The full amount of a request for Augmentation of a specific program will be approved or denied. Partial approvals will not be made.

Denial in one program will not preclude approval in another. For this purpose, SEOG Initial Year and SEOG Continuing Year are considered separate programs.

A program with a Projection Rate (Section VII, Lines 61 through 64, Column c) of less than 90% will not be considered for Augmentation unless unusual circumstances are present. Explain the circumstances in the Letterhead Justification.

An NDSL Delinquency Rate (Section X, Line 90) in excess of 20% will preclude Augmentation in that program.

Circumstances which have a uniform effect on all institutions of similar type within a state wil not be considered justification for an Augmentation.

FACTORS WHICH, IF UNIQUE TO THE INSTITUTION, MAY BE CONSIDERED AS JUSTIFICATION (the list is not intended to be restrictive):

A significant reduction in outside resources which increases need. Display your calculations in the Letterhead Justification.

A significant change in the mix of students (graduate/undergraduate, ethno-racial, needy/non-needy) which increases need. Display your calculations in the Letterhead Justification.

Natural disaster (flood, tornado) which increases need. Display your calculations in the Letterhead Justification.

If you request a significant increase in funds, specify in the Letterhead Justification the positions you will add to administer the increase.

LETTERHEAD JUSTIFICATION:

A request for Augmentation of the Formula Limit will not be considered unless the required "Justifi cation" is attached. Please limit your presentation to facts, which can be verified on audit, in order to permit a full and fair review of all augmentation requests. Show how these facts alter th amount of need of your students.

SECTION X

LINE 81, COLUMN (a): Line 81(a) would normally come from line 64(d) for institutions which participate in NDSL during the 12 months ending June 30, 1977. If the amount you enter exceeds 64(d), defend t entry in the Narrative, Section XII.

LINE 82, COLUMN (a): Enter the sum of lines 1, 2 and 3, Part II, Section A, Award Period 1976-77 Fiscal Operations Report (OE 1152).

LINE 83, BOTH COLUMNS: Include collections (principal and interest) and all other fund earnings (e.g. interest on fund capital investments). Loan collections will normally increase from year to year.

LINE 84, BOTH COLUMNS:

(a) Enter the amount* (if any) received by check in September 1977
(b) Enter the projected amount* which will be determined by data in your Award Period 1976-77 Fiscal Operations Report, Part II, Section A
*Do not include reimbursement for loans made prior to June 30, 1972.

LINE 86, BOTH COLUMNS:
(a) Line 86(a) is the sum of lines 86.1(a) and 86.2(a).
(b) Line 86(b) is the sum of (an amount not in excess of 25% of line 83b) plus (line 81b) minus (line 85b). Line 86(b) = the sum of 86.1(b) and 86.2(b).

Line 86.1, BOTH COLUMNS:

(a) Enter in line 86.1(a) the amount shown as Federal Capital Contribution in your award letter, normally dated May 24, 1977.
(b) Line 86.1(b) may not exceed 90% of line 86b. (Applicants not presently participating in the NDSL Program, use 90% of line 81(b)).

LINE 86.2, BOTH COLUMNS:
(a) Line 86.2(a) must be at least one-ninth of line 86.1(a) unless your institution has "overmatched" the Federal Capital Contribution in a prior year. If such overmatching is reflected, explain in the Narrative, Section XII.
(b) Line 86.2(b) may not be less than 10% of line 86b. (Applicants not presently participating in the NDSL Program, use 10% of line 81(b)).

LINE 87, COLUMN (a):
Carry the amount in Line 87, column (a) to line 82, column (b).

LINE 88: A check mark indicates your institution needs to borrow Federal funds for all or part of the amount entered in line 86.2, column (b).
Loan materials will be mailed after July 1, 1978.

LINE 89 IS CALCULATED AS FOLLOWS: ("Report" refers to your institution's Report of Defaulted Loans (Cumulative) as of June 30, 1977 - OE Form 574)

LINE 89 = 1. The sum of the amounts in column b of the Report, MINUS
2. The sum of the amounts in column c of the Report, MINUS
*3. The amount of principal outstanding on loans which were in default for at least two years and were determined by the institution to be uncollectible as of June 30, 1977, despite the use of "due diligence" collection procedures required under Subpart C of the Interim NDSL Regulations dated November 24, 1976.

*Item 3 is not an entry on the Report and must be d termined by the institution. Enter in the Narrative, Section XII, the number of students whose loans were determined to be uncollectible and the total outstanding principal on the loans.

LINE 90 IS EXPRESSED AS A PERCENT AND CALCULATED AS FOLLOWS:

Divide the amount you entered in Line 89 of the Application by the Divisor to determine the Delinquency rate for Line 90.

(Lines refer to Part II, Section C, of the Award Period 1976-77 Fiscal Operations Report - OE 1152)

From line 1, column b, subtract the sum of the following amounts to determine the Divisor:

1. The sum of lines 2, 3.1, 3.2 and 3.3 of column b, and line 3.4 of column d, AND
2. The entry you prepared for item 3 in the Instruction for Line 89 of the Application.

If line 90 equals 20% or more, explain in the Narrative what you are doing to reduce delinquency.

SECTION XI

LINE 91: The Division of Institutional Development, Bureau of Higher and Continuing Education, U.S. Office of Education, Washington, D.C. 20202, designates "developing institutions." Please call (area code 202, telephone 245-2418) or write that office if you wish to be designated a "developing institution."

Eligible "developing institutions" will receive further information from this office at a later date.

Line 92: Further information will be sent to eligible institutions at a later date.

Lines 91 AND 92: Waivers are applicable only to student compensation in excess of:
(1) College Work-Study wages paid July 1, 1975 through June 30, 1976, or
(2) An amount specified by the Commissioner for institutions which did not participate in the College Work-Study Program from July 1, 1975, through June 30, 1976.

SECTION XII
Narrative

Please identify the section and line number of additional information required by the form or instructions.

The following personnel information must be provided by all institutions except those which selected line 68(a) as the Formula Limit and presented no request for an augmentation. New applicants identify your personnel information with "not presently participating" and address each point in sufficient detail to indicate your plans if funded.

List the positions (by job title) of all key personnel involved in the administration of the programs and give the following information for each:

(1) the percent of time devoted exclusively to administration of student financial aid programs at the institution(s) covered by this application,
(2) the functions performed in the area of financial aid, and
(3) the years of experience in financial aid of the individual holding the position.

The coordinator of student financial aid, student financial aid officer, business officer, loans collection officer, College Work-Study payroll officer, and College Work-Study placement officer would be considered key personnel.

Indicate the adequacy of the supporting staff. State the number of persons on the staff and estimate the percent of time each member devotes to student financial aid.

Describe any budgeted staff increase scheduled for the 12 month period beginning July 1, 1978.

If the application was completed by someone other than one of the officials shown on the form, state the name of the person and specify his/her relationship to the institution.

OMB Approval No. 29-R02

FEDERAL ASSISTANCE

1. TYPE OF ACTION (Mark appropriate box)
☐ PREAPPLICATION
☒ APPLICATION
☐ NOTIFICATION OF INTENT (Opt.)
☐ REPORT OF FEDERAL ACTION

2. APPLICANT'S APPLICATION
a. NUMBER
b. DATE Year month day 19

3. STATE APPLICATION IDENTIFIER
a. NUMBER
b. DATE ASSIGNED Year month day 19

Leave Blank

SECTION I—APPLICANT/RECIPIENT DATA

4. LEGAL APPLICANT/RECIPIENT
a. Applicant Name :
b. Organization Unit :
c. Street/P.O. Box :
d. City :
e. County :
f. State :
g. ZIP Code
h. Contact Person (Name & telephone No.) :

5. FEDERAL EMPLOYER IDENTIFICATION NO.

6. PROGRAM (From Federal Catalog)
a. NUMBER ☐☐•☐☐☐
b. TITLE

7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT

INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS

--COLLEGE WORK-STUDY PROGRAM
--SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
--NATIONAL DIRECT STUDENT LOAN PROGRAM

8. TYPE OF APPLICANT/RECIPIENT
A–State
B–Interstate
C–Substate District
D–County
E–City
F–School District
G–Special Purpose District
H–Community Action Agency
I–Higher Educational Institution
J–Indian Tribe
K–Other (Specify):
Enter appropriate letter I

9. TYPE OF ASSISTANCE
A–Basic Grant
B–Supplemental Grant
C–Loan
D–Insurance
E–Other
Enter appropriate letter(s)

10. AREA OF PROJECT IMPACT (Names of cities, counties, States, etc.)
NA

11. ESTIMATED NUMBER OF PERSONS BENEFITING
NA

12. TYPE OF APPLICATION
A–New
B–Renewal
C–Revision
D–Continuation
E–Augmentation
Enter appropriate letter

13. PROPOSED FUNDING

a. FEDERAL	$	.00
b. APPLICANT	NA	.00
c. STATE	NA	.00
d. LOCAL	NA	.00
e. OTHER	NA	.00
f. TOTAL	$ NA	.00

14. CONGRESSIONAL DISTRICTS OF:
a. APPLICANT
b. PROJECT

15. TYPE OF CHANGE (For 12c or 12e)
A–Increase Dollars
B–Decrease Dollars
C–Increase Duration
D–Decrease Duration
E–Cancellation
F–Other (Specify):
Enter appropriate letter(s) NA

16. PROJECT START DATE Year month day 7/1/ 19 78

17. PROJECT DURATION 12 Months

18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY ▶ Year month day 19

19. EXISTING FEDERAL IDENTIFICATION NUMBER

20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code)
REGIONAL OFFICE OF EDUCATION (SEE ATTACHED LIST)

21. REMARKS ADDED
☐ Yes ☐ No

SECTION II—CERTIFICATION

22. THE APPLICANT CERTIFIES THAT ▶
a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved.
b. If required by OMB Circular A-95 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached:

	No response	Respon attach
(1)	☐	☐
(2)	☐	☐
(3)	☐	☐

23. CERTIFYING REPRESENTATIVE
a. TYPED NAME AND TITLE
b. SIGNATURE
c. DATE SIGNED Year month day 19

SECTION III—FEDERAL AGENCY ACTION

24. AGENCY NAME

25. APPLICATION RECEIVED Year month da 19

26. ORGANIZATIONAL UNIT

27. ADMINISTRATIVE OFFICE

28. FEDERAL APPLICATION IDENTIFICATION

29. ADDRESS

30. FEDERAL GRANT IDENTIFICATION

31. ACTION TAKEN
☐ a. AWARDED
☐ b. REJECTED
☐ c. RETURNED FOR AMENDMENT
☐ d. DEFERRED
☐ e. WITHDRAWN

32. FUNDING

a. FEDERAL	$	.00
b. APPLICANT		.00
c. STATE		.00
d. LOCAL		.00
e. OTHER		.00
f. TOTAL	$	.00

33. ACTION DATE ▶ Year month day 19.

34. STARTING DATE Year month day 19

35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)

36. ENDING DATE Year month day 19

37. REMARKS ADDED
☐ Yes ☐ No

38. FEDERAL AGENCY A-95 ACTION
a. In taking above action, any comments received from clearinghouses were considered. If agency response is due under provisions of Part 1, OMB Circular A-95, it has been or is being made.
b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)

424-101

STANDARD FORM 424 PAGE 1 (10-7
Prescribed by GSA, Federal Management Circular 74-

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SECTION IV—REMARKS *(Please reference the proper item number from Sections I, II or III, if applicable)*

GENERAL INSTRUCTIONS

This is a multi-purpose standard form. First, it will be used by applicants as a required facesheet for pre-applications and applications submitted in accordance with Federal Management Circular 74–7. Second, it will be used by Federal agencies to report to Clearinghouses on major actions taken on applications reviewed by clearinghouses in accordance with OMB Circular A–95. Third, it will be used by Federal agencies to notify States of grants-in-aid awarded in accordance with Treasury Circular 1082. Fourth, it may be used, on an optional basis, as a notification of intent from applicants to clearinghouses, as an early initial notice that Federal assistance is to be applied for (clearinghouse procedures will govern).

APPLICANT PROCEDURES FOR SECTION I

Applicant will complete all items in Section I. If an item is not applicable, write "NA". If additional space is needed, insert an asterisk "*", and use the remarks section on the back of the form. An explanation follows for each item:

Item

1. Mark appropriate box. Pre-application and application guidance is in FMC 74–7 and Federal agency program instructions. Notification of intent guidance is in Circular A–95 and procedures from clearinghouse. Applicant will not use "Report of Federal Action" box.

2a. Applicant's own control number, if desired.

2b. Date Section I is prepared.

3a. Number assigned by State clearinghouse, or if delegated by State, by areawide clearinghouse. All requests to Federal agencies *must* contain this identifier if the program is covered by Circular A–95 and required by applicable State/areawide clearinghouse procedures. If in doubt, consult your clearinghouse.

3b. Date applicant notified of clearinghouse identifier.

4a–4h. Legal name of applicant/recipient, name of primary organizational unit which will undertake the assistance activity, complete address of applicant, and name and telephone number of person who can provide further information about this request.

5. Employer identification number of applicant as assigned by Internal Revenue Service.

6a. Use Catalog of Federal Domestic Assistance number assigned to program under which assistance is requested. If more than one program (e.g., joint-funding) write "multiple" and explain in remarks. If unknown, cite Public Law or U.S. Code.

6b. Program title from Federal Catalog. Abbreviate if necessary.

7. Brief title and appropriate description of project. For notification of intent, continue in remarks section if necessary to convey proper description.

8. Mostly self-explanatory. "City" includes town, township or other municipality.

9. Check the type(s) of assistance requested. The definitions of the terms are:

   A. Basic Grant. An original request for Federal funds. This would not include any contribution provided under a supplemental grant.

   B. Supplemental Grant. A request to increase a basic grant in certain cases where the eligible applicant cannot supply the required matching share of the basic Federal program (e.g., grants awarded by the Appalachian Regional Commission to provide the applicant a matching share).

   C. Loan. Self explanatory.

Item

   D. Insurance. Self explanatory.

   E. Other. Explain on remarks page.

10. Governmental unit where significant and meaningful impact could be observed. List only largest unit or units affected, such as State, county, or city. If entire unit affected, list it rather than subunits.

11. Estimated number of persons directly benefiting from project.

12. Use appropriate code letter. Definitions are:

   A. New. A submittal for the first time for a new project.

   B. Renewal. An extension for an additional funding/budget period for a project having no projected completion date, but for which Federal support must be renewed each year.

   C. Revision. A modification to project nature or scope which may result in funding change (increase or decrease).

   D. Continuation. An extension for an additional funding/budget period for a project the agency initially agreed to fund for a definite number of years.

   E. Augmentation. A requirement for additional funds for a project previously awarded funds in the same funding/budget period. Project nature and scope unchanged.

13. Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of the change. For decreases enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 13a, amount requested from Federal Government; 13b, amount applicant will contribute; 13c, amount from State, if applicant is not a State; 13d, amount from local government, if applicant is not a local government; 13e, amount from any other sources, explain in remarks.

14a. Self explanatory.

14b. The district(s) where most of actual work will be accomplished. If city-wide or State-wide, covering several districts, write "city-wide" or "State-wide."

15. Complete only for revisions (item 12c), or augmentations (item 12e).

Item

16. Approximate date project expected to begin (usually associated with estimated date of availability of funding).

17. Estimated number of months to complete project after Federal funds are available.

18. Estimated date preapplication/application will be submitted to Federal agency if this project requires clearinghouse review. If review not required, this date would usually be same as date in item 2b.

Item

19. Existing Federal identification number if this is not a new request and directly relates to a previous Federal action. Otherwise write "NA".

20. Indicate Federal agency to which this request is addressed. Street address not required, but do use ZIP.

21. Check appropriate box as to whether Section IV of form contains remarks and/or additional remarks are attached.

APPLICANT PROCEDURES FOR SECTION II

Applicants will always complete items 23a, 23b, and 23c. If clearinghouse review is required, item 22b must be fully completed. An explanation follows for each item:

Item

22b. List clearinghouses to which submitted and show in appropriate blocks the status of their responses. For more than three clearinghouses, continue in remarks section. All written comments submitted by or through clearinghouses must be attached.

23a. Name and title of authorized representative of legal applicant.

Item

23b. Self explanatory.

23c. Self explanatory.

Note: Applicant completes only Sections I and II. Section III is completed by Federal agencies.

FEDERAL AGENCY PROCEDURES FOR SECTION III

If applicant-supplied information in Sections I and II needs no updating or adjustment to fit the final Federal action, the Federal agency will complete Section III only. An explanation for each item follows:

Item

24. Executive department or independent agency having program administration responsibility.

25. Self explanatory.

26. Primary organizational unit below department level having direct program management responsibility.

27. Office directly monitoring the program.

28. Use to identify non-award actions where Federal grant identifier in item 30 is not applicable or will not suffice.

29. Complete address of administering office shown in item 26.

30. Use to identify award actions where different from Federal application identifier in item 28.

31. Self explanatory. Use remarks section to amplify where appropriate.

32. Amount to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of change. For decreases, enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 32a, amount awarded by Federal Government; 32b, amount applicant will contribute; 32c, amount from State, if applicant is not a State; 32d, amount from local government if applicant is not a local government; 32e, amount from any other sources, explain in remarks.

33. Date action was taken on this request.

34. Date funds will become available.

Item

35. Name and telephone no. of agency person who can provide more information regarding this assistance.

36. Date after which funds will no longer be available.

37. Check appropriate box as to whether Section IV of form contains Federal remarks and/or attachment of additional remarks.

38. For use with A–95 action notices only. Name and telephone of person who can assure that appropriate A–95 action has been taken—If same as person shown in item 35, write "same". If not applicable, write "NA".

Federal Agency Procedures—special considerations

A. *Treasury Circular 1082 compliance.* Federal agency will assure proper completion of Sections I and III. If Section I is being completed by Federal agency, all applicable items must be filled in. Addresses of State Information Reception Agencies (SCIRA's) are provided by Treasury Department to each agency. This form replaces SF 240, which will no longer be used.

B. *OMB Circular A–95 compliance.* Federal agency will assure proper completion of Sections I, II, and III. This form is required for notifying all reviewing clearinghouses of major actions on all programs reviewed under A–95. Addresses of State and areawide clearinghouses are provided by OMB to each agency. Substantive differences between applicant's request and/or clearinghouse recommendations, and the project as finally awarded will be explained in A–95 notifications to clearinghouses.

C. *Special note.* In most, but not all States, the A–95 State clearinghouse and the (TC 1082) SCIRA are the same office. In such cases, the A–95 award notice to the State clearinghouse will fulfill the TC 1082 award notice requirement to the State SCIRA. Duplicate notification should be avoided.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS

JULY 1, 1978 THROUGH JUNE 30, 1979

Please read instructions before completing this form.

FORM APPROVED
O.M.B. NO. 51-R0477

ENTITY ID. NO. *(EIN)*
1–

SERIAL NO. *(DSFA)*

NAME OF INSTITUTION

ADDRESS *(street, city, State, and ZIP code)*

WARNING. ANY PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT OR MISREPRESENTATION ON THIS FORM MAY BE SUBJECT TO A FINE UP TO $10,000, OR TO IMPRISONMENT UP TO FIVE YEARS, OR TO BOTH, UNDER PROVISIONS OF THE UNITED STATES CRIMINAL CODE. SUCH PROVISIONS MAY INCLUDE, AMONG OTHERS, 18 U.S.C. 1001.

SECTION V

ALL INSTITUTIONS

GENERAL INFORMATION (SEE INSTRUCTIONS)

39. TYPE	40. CONTROL	41. LEVEL	42. OFFICIAL RESPONSIBLE FOR RECEIPT, CUSTODY, AND DISBURSEMENT OF FEDERAL FUNDS (NAME AND TITLE)	43(A) AREA CODE	43(B) TELEPHONE # & EXT.

ELIGIBILITY

(TO BE COMPLETED BY NONPARTICIPANTS IN THE 12 MONTHS ENDING JUNE 30, 1978)

44. HAVE YOU RECEIVED NOTIFICATION FROM THE DIVISION OF ELIGIBILITY AND AGENCY EVALUATION OF THE OFFICE OF EDUCATION OF YOUR ELIGIBILITY TO PARTICIPATE IN THESE PROGRAMS? ☐ YES ☐ NO

IF NOT, HAVE ALL REQUIRED MATERIALS BEEN SUBMITTED TO THE DIVISION OF ELIGIBILITY AND AGENCY EVALUATION? ☐ YES ☐ NO

MAINTENANCE OF LEVEL OF EFFORT

(SEE INSTRUCTIONS FOR TYPES OF FINANCIAL AID TO BE INCLUDED)

INSTITUTIONS WHICH PARTICIPATED IN CWSP AND/OR SEOGP IN 1976-77 COMPLETE THIS BLOCK.

45. INSTITUTIONAL SCHOLARSHIP AND STUDENT AID EXPENDITURES JULY 1, 1976 THROUGH JUNE 30, 1977. $ 1AC01

INSTITUTIONS WHICH RECEIVED CWSP AND/OR SEOGP AWARDS FOR THE FIRST TIME IN 1977-78 COMPLETE THESE BLOCKS ACCORDING TO INSTRUCTIONS.

INSTITUTIONAL SCHOLARSHIP AND STUDENT AID EXPENDITURES

46	12 MONTHS ENDING 6/30/75	$
47	12 MONTHS ENDING 6/30/76	$
48	12 MONTHS ENDING 6/30/77	$
49	TOTAL	$
50	3-YEAR AVERAGE	$

51. (CHECK ONE)

☐ A COPY OF THE INSTITUTION'S (1) AWARD PERIOD 1976-77 FISCAL OPERATIONS REPORT AND (2) REPORT OF DEFAULTED NATIONAL DIRECT STUDENT LOANS AS OF 6/30/77 IS ATTACHED.

☐ THE INSTITUTION DID NOT PARTICIPATE IN ANY OF THE NATIONAL DIRECT STUDENT LOAN, COLLEGE WORK-STUDY OR SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAMS IN THE 12 MONTHS ENDING JUNE 30, 1977.

ENROLLMENT DATA

IF YOU HAD ENROLLMENT IN BOTH PERIODS INDICATED IN COLUMNS (A) AND (B) (ACTUAL NO.), COMPLETE ONLY THOSE COLUMNS. IF YOU DID NOT, COMPLETE COLUMN (C) AND, IF APPROPRIATE, ONE OF THE OTHER TWO COLUMNS. EXPLAIN IN THE NARRATIVE (SECTION XII) THE BASIS FOR THE ENROLLMENT PROJECTION. SEE INSTRUCTIONS FOR ELIGIBLE STUDENTS (GENERAL INSTRUCTIONS), STUDENT DEFINITIONS AND CHOICE OF ENROLLMENT PERIOD (LINES 52-54 INSTRUCTIONS).

TYPE OF STUDENT	ACTUAL NO.		PROJECTED NO.
	FALL 1976 OR 7/1/75-6/30/76 (A)	FALL 1977 OR 7/1/76-6/30/77 (B)	FALL 1978 OR 7/1/78-6/30/79 (C)
52 UNDERGRADUATE (FULL- AND HALF-TIME)			
53 GRADUATE/PROFESSIONAL (FULL- AND HALF-TIME)			
54 TOTAL ENROLLMENT (*THESE FIGURES DETERMINE THE ENROLLMENT FACTOR)	*	*	

INSTITUTIONS WHICH ARE NOT CURRENTLY PARTICIPATING IN ANY OF THE PROGRAMS AND THOSE WHICH ARE PARTICIPATING FOR THE FIRST TIME IN THE 12-MONTH PERIOD ENDING JUNE 30, 1978, PROCEED TO SECTION VI.

ALL OTHER INSTITUTIONS PROCEED TO SECTION VII.

OE FORM 1036, 9/77 PREVIOUS EDITIONS OF THIS FORM ARE OBSOLETE

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS

JULY 1, 1978 THROUGH JUNE 30, 1979

Please read instructions before completing this form.

FORM APPROVED
O.M.B. NO. 51-R0477

ENTITY ID. NO. *(EIN)*
1–

SERIAL NO. *(DSFA)*

NAME OF INSTITUTION

ADDRESS *(street, city, State, and ZIP code)*

SECTION VI

NEW APPLICANTS AND APPLICANTS PARTICIPATING FOR FIRST TIME IN AWARD PERIOD 1977-78

TO BE COMPLETED ONLY BY INSTITUTIONS WHICH DID NOT PARTICIPATE IN ANY OF THE THREE PROGRAMS DURING THE 12 MONTHS ENDING JUNE 30, 1977. INSTITUTIONS PARTICIPATING IN ONE OR MORE PROGRAMS IN THE 12 MONTHS ENDING JUNE 30, 1978, COMPLETE BOTH "ESTIMATED" AND "PROJECTED" COLUMNS FOR APPROPRIATE PROGRAMS. ALL OTHERS COMPLETE "PROJECTED" COLUMN FOR APPROPRIATE PROGRAMS.

COLLEGE WORK-STUDY REQUEST

		ESTIMATED 12 MONTHS ENDING JUNE 30, 1978	PROJECTED 12 MONTHS ENDING JUNE 30, 1979	
55	NUMBER OF STUDENTS (LINES 55.1 + 55.2)			
55.1	ON CAMPUS			
55.2	OFF CAMPUS			
56	FEDERAL FUNDS	$	$	18002

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS REQUEST

		ESTIMATED 12 MONTHS ENDING JUNE 30, 1978		PROJECTED 12 MONTHS ENDING JUNE 30, 1979	
		INITIAL YEAR	CONTINUING YEAR	INITIAL YEAR	CONTINUING YEAR
57	NUMBER OF STUDENTS				
58	TOTAL FUNDS	$	$	$ 18002	$ 18002

NATIONAL DIRECT STUDENT LOAN REQUEST

		ESTIMATED 12 MONTHS ENDING JUNE 30, 1978 (A)	PROJECTED 12 MONTHS ENDING JUNE 30, 1979 (B)	
59	NUMBER OF STUDENTS			
60	TOTAL FUNDS FOR PROGRAM OPERATION - LEVEL OF LENDING	$	$	18002

FOLLOWING COMPLETION OF SECTION VI:

- APPLICANTS WITH EXPENDITURES IN THE 12 MONTHS ENDING JUNE 30, 1978, PROVIDE THE EXPENDITURE INFORMATION REQUIRED IN SECTION VIII.
- APPLICANTS WITHOUT EXPENDITURES COMPLETE SECTIONS X, XI, AND XII AS APPROPRIATE.

OE FORM 1036, 9/77

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS

JULY 1, 1978 THROUGH JUNE 30, 1979

Please read instructions before completing this form.

FORM APPROVED
O.M.B. NO. 51-R0477

ENTITY ID. NO. *(EIN)*
1 –

SERIAL NO. *(DSFA)*

NAME OF INSTITUTION

ADDRESS *(street, city, State, and ZIP code)*

SECTION VII

CONTINUATION REQUESTS - CALCULATION OF FORMULA LIMIT

TO BE COMPLETED BY ALL INSTITUTIONS WHICH PARTICIPATED IN ONE OR MORE OF THE PROGRAMS IN THE 12 MONTHS ENDING JUNE 30, 1977. ENTER "NA" FOR ANY PROGRAM IN WHICH YOU DID NOT PARTICIPATE. COMPLETE ALL COLUMNS.

ENTRIES IN COLUMN (A) MUST BE DERIVED FROM YOUR AWARD PERIOD 1976-77 FISCAL OPERATIONS REPORT. ENTRIES IN COLUMN (B) ARE DERIVED FROM YOUR AWARD LETTERS FOR THE 12 MONTHS ENDING JUNE 30, 1978. SEE INSTRUCTIONS FOR DERIVATIONS AND "PROJECTION RATE." IN COLUMN (D), AUTHORIZATION X PROJECTION RATE = PROJECTION.

FORMULA LIMIT	AWARD PERIOD 1976-77 EXPENDITURES FISCAL OPERATIONS REPORT (A)	AWARD PERIOD 1977-78 PROJECTION		
		AUTHORIZATION (B)	X PROJECTION RATE (C)	= PROJECTION (D)
61 CWS - FEDERAL FUNDS	$	$	$	$
62 SEOG - INITIAL YEAR	$	$	$	$
63 SEOG - CONTINUING YEAR	$	$	$	$
64 NDSL - LEVEL OF LENDING	$	$	$	$
65 TOTAL: SUM OF LINES 61 THROUGH 64	$			$
66 INFLATION FACTOR	1.12			1.06
67 ENROLLMENT FACTOR: LINE 54(B) DIVIDED BY LINE 54(A)				
68 FORMULA LIMIT: LINES 65 X 66 X 67	$			$

SELECT EITHER 68(A) OR 68(D) AS YOUR FORMULA LIMIT REQUEST AND INDICATE THE SELECTION IN THE FOLLOWING BOXES:

(CHECK ONE) ☐ 68(A) ☐ 68(D)

DISTRIBUTE THE AMOUNT SELECTED IN THE FOLLOWING BOXES IN ACCORDANCE WITH THE INSTRUCTIONS. THE SUM OF LINES 69 THROUGH 72 MAY NOT EXCEED THE SELECTED FORMULA LIMIT.

69. CWS FEDERAL FUNDS	70. SEOG INITIAL YEAR	71. SEOG CONTINUING YEAR	72. NDSL LEVEL OF LENDING
$	$	$	$
18002	18002	18002	18002

PROCEED TO SECTION VIII

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INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS

JULY 1, 1978 THROUGH JUNE 30, 1979

Please read instructions before completing this form.

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SECTION VIII

EXPENDITURES FOR THE 12-MONTH PERIOD ENDING JUNE 30, 1978

TO BE COMPLETED BY ALL INSTITUTIONS PRESENTLY PARTICIPATING IN ONE OR MORE OF THE PROGRAMS EXCEPT THOSE WHICH COMPLETED SECTION VII AND SELECTED LINE 68A AS THE FORMULA LIMIT. ENTER THE APPROPRIATE DOLLAR SMOUNTS FOR ALL PROGRAMS IN WHICH YOU PARTICIPATE. ENTER "0" TO INDICATE NO DOLLARS EXPENDED/COMMITTED. USE "NA" ONLY FOR PROGRAMS IN WHICH YOU DO NOT PARTICIPATE. COMMITMENTS MUST BE SUPPORTED BY WRITTEN OFFERS OF AWARD AND SIGNED ACCEPTANCES FROM THE STUDENTS. INCLUDE EXPENDITURES (COLUMN A) IN COMMITMENTS (COLUMN B).

		FOR THE 12-MONTH PERIOD ENDING JUNE 30, 1978	
		EXPENDED TO DATE OF APPLICATION (A)	COMMITMENTS TO DATE OF APPLICATION (B)
73	CWS - FEDERAL FUNDS	$	$
74	SEOG - INITIAL YEAR	$	$
75	SEOG - CONTINUING YEAR	$	$
76	NDSL - LEVEL OF LENDING	$	$

INSTITUTIONS PARTICIPATING IN THE PROGRAMS DURING THE 12 MONTHS ENDING JUNE 30, 1977, AND REQUESTING AUGMENTATION OF THE FORMULA LIMIT, PROCEED TO SECTION IX.

ALL OTHER INSTITUTIONS PROCEED TO SECTION X.

SECTION IX

REQUEST FOR AUGMENTATION OF FORMULA LIMIT

(OPTIONAL)

LIMITED TO INSTITUTIONS WHICH PARTICIPATED IN THE PROGRAM(S) IN THE 12 MONTHS ENDING JUNE 30, 1977. AUGMENTATION AWARDS WILL BE BASED ON THE STRENGTH OF THE JUSTIFICATION*. PLEASE READ THE INSTRUCTIONS BEFORE COMPLETING THIS SECTION. ENTER ONLY THOSE PROGRAMS IN WHICH YOU ARE REQUESTING AUGMENTATION. LEAVE ALL THREE COLUMNS BLANK UNLESS YOU ARE APPLYING FOR AUGMENTATION IN THE PROGRAM.

		REQUESTED AUGMENTATION (A)		DISTRIBUTION OF FORMULA LIMIT FROM BOXES 69 THROUGH 72 (B)	TOTALS (C)
77	CWS - FEDERAL FUNDS	$	1C003	$	$
78	SEOG - INITIAL YEAR	$	1C003	$	$
79	SEOG - CONTINUING YEAR	$	1C003	$	$
80	NDSL - LEVEL OF LENDING	$	1C003	$	$

* DIRECTLY BEHIND THIS PAGE ATTACH A SHEET OF INSTITUTIONAL LETTERHEAD CONTAINING THE JUSTIFICATION FOR THE INCREASE. ENTER "SECTION IX - JUSTIFICATION" BELOW THE LETTERHEAD.

PROCEED TO SECTION X.

OE FORM 1036, 9/77

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE OFFICE OF EDUCATION WASHINGTON, D.C. 20202 **INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS** JULY 1, 1978 THROUGH JUNE 30, 1979	Please read instructions before completing this form. ENTITY ID. NO. *(EIN)* 1 —	FORM APPROVED O.M.B. NO. 51-R0477 **SERIAL NO.** *(DSFA)*

NAME OF INSTITUTION

ADDRESS *(street, city, State, and ZIP code)*

SECTION X

NDSL - CALCULATION OF FEDERAL CAPITAL CONTRIBUTION

THIS SECTION MUST BE COMPLETED BY ALL INSTITUTIONS WISHING TO MAKE LOANS UNDER THE NDSL PROGRAM IN THE 12-MONTH PERIOD ENDING JUNE 30, 1979, WHETHER OR NOT NEW FEDERAL CAPITAL IS REQUESTED.

APPLICANTS NOT PRESENTLY PARTICIPATING IN NDSL COMPLETE LINES 81, 86.1, 86.2 OF COLUMN (B) AND, IF APPLICABLE, LINE 88. PARTICIPATING APPLICANTS ARE REQUIRED TO PROVIDE AN ENTRY IN EACH BLOCK OF LINES 81 THROUGH 87. LINE 88 IS OPTIONAL. LINES 89 AND 90 MUST BE COMPLETED BY INSTITUTIONS WHICH PARTICIPATED IN THE NDSL PROGRAM DURING THE 12 MONTHS ENDING JUNE 30, 1977. ENTER "-0-" IF THAT IS THE APPROPRIATE ENTRY. DO NOT USE "NA."

LEVEL OF LENDING (LINE 81) WILL BE SECURED FROM PREVIOUS ENTRIES:

	LINE 81(A)		LINE 81(B)
INSTITUTIONS WHICH COMPLETED SECTION VI:	60(A)	IF APPLICABLE	60(B)
INSTITUTIONS REQUESTING FORMULA LIMIT:	64(D)	SEE INSTRUCTION 81(A)	72
INSTITUTIONS REQUESTING AUGMENTATION:	64(D)	SEE INSTRUCTION 81(A)	80(C)

		ESTIMATED 12 MONTHS ENDING JUNE 30, 1978 (A)	PROJECTED 12 MONTHS ENDING JUNE 30, 1979 (B)	
81	TOTAL FUNDS NEEDED - LEVEL OF LENDING	$	$	
82	CASH ON HAND ON JULY 1	$	$	
83	COLLECTIONS AND OTHER INCOME RECEIVED	$	$	
84	REIMBURSEMENT RECEIVED FOR AMOUNTS CANCELLED ON LOANS MADE AFTER JUNE 30, 1972	$	$	
85	SUBTOTAL: LINES 82 PLUS 83 PLUS 84	$	$	
86	TOTAL NEW CAPITAL REQUIRED (SEE INSTRUCTIONS)	$	$	
86.1	FEDERAL CAPITAL CONTRIBUTION (SEE INSTRUCTIONS)	$	$	10004
86.2	INSTITUTIONAL CAPITAL CONTRIBUTION (SEE INSTRUCTIONS)	$	$	
87	CASH ON HAND AS OF JUNE 30: LINE 85 PLUS LINE 86 MINUS LINE 81	$	$	
88	CHECK IF SECTION 207 LOAN WILL BE NEEDED FOR LINE 86.2, COLUMN (B):		☐	10004
89	AMOUNT DELINQUENT ON JUNE 30, 1977 -	(SEE INSTRUCTIONS)	$	
90	DELINQUENCY RATE AS OF JUNE 30, 1977 -	(SEE INSTRUCTIONS)	$	

SECTION XI

COLLEGE WORK-STUDY PROGRAM - WAIVER REQUESTS

91	CHECK IF YOU WISH TO APPLY AS A "DEVELOPING INSTITUTION" UNDER TITLE III OF THE HIGHER EDUCATION ACT OF 1965, AS AMENDED, FOR A PARTIAL WAIVER OF THE NON-FEDERAL SHARE OF CWS COMPENSATION TO STUDENTS DURING THE 12-MONTH PERIOD ENDING JUNE 30, 1979. (SEE INSTRUCTIONS)	☐	1E005
92	CHECK IF YOU WISH TO APPLY FOR A PARTIAL WAIVER OF THE NON-FEDERAL SHARE OF THE CWS COMPENSATION TO STUDENTS DURING THE 12-MONTH PERIOD ENDING JUNE 30, 1979, ON THE BASIS THAT AT LEAST 50 PERCENT OF THE STUDENTS ENROLLED HALF-TIME OR MORE DURING THE 12-MONTHS ENDING JUNE 30, 1978, HAVE PARENTS WHOSE ANNUAL ADJUSTED INCOME DOES NOT EXCEED $7,500 PER YEAR.	☐	1E005

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE OFFICE OF EDUCATION WASHINGTON, D.C. 20202 **INSTITUTIONAL APPLICATION TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL AID PROGRAMS** JULY 1, 1978 THROUGH JUNE 30, 1979	Please read instructions before completing this form. ENTITY ID. NO. *(EIN)* 1 –	FORM APPROVED O.M.B. NO. 51-R0477 SERIAL NO. *(DSFA)*

NAME OF INSTITUTION	ADDRESS *(street, city, State, and ZIP code)*

SECTION XII

NARRATIVE

(SEE INSTRUCTIONS)

OE FORM 1036, 9/77

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APPENDIX B

1. EDIT GUIDE DEVELOPED BY REGION IV FOR THE 1978-79 APPLICATION FORM
2. EDIT GUIDE DEVELOPED BY REGION V FOR THE 1978-79 APPLICATION FORM

REGION V

Edit Instructions (C) for 1978-79 Tri-Part Application
Continuing Participants

General

As you complete each edit check, place a small red check in the box of the item checked.

Section V

54a = 52a + 53a
54b = 52b + 53b

Note: An institution must complete both a and b

Section VII

AP 1976-77 Fiscal Operations Report

61a = p8, lines 7 + 8
62a = p7, lines 5a + 6a
63a = p7, lines 5b + 6b

If ≠, change to reflect Fisc Op entry, unless there is a line item reference in the narrative. Then advise Program Officer.

64a = 76-77 Fisc Op p4, line 5 +
p3 [Line 19c (77 Fisc Op) - 19c (76 Fisc Op)]

65a = 61a + 62a + 63a + 64a

67 = 54b ÷ 54a — If ≠, change 67a (carry to nearest hundredth if you need to refigure)

68a = 65a x 1.12 x 67a — If ≠, change 68a

Take May 24, 1977 allocation letter

61b = CWS allocation for 1977-78
62b = SEOG IY allocation for 1977-78
63b = SEOG CY allocation for 1977-78

If ≠, check for additional allocation letters.

Take Region IV worksheet

Refer to computation II on page 2. Check all entries. If there is no worksheet, complete one. Note that you prepared it.

Line 6 $\geq$ 1/9 FCC — If $<$ 1/9, check Application Narrative for explanation for line 86.2a. If no explanation, increase to 1/9 FCC.

Edit Instructions(C) continued

Section VII Cont'd

Computation C

Line 1 ≥ 103% (77 Fisc Op, p.6 line 9)
Line 2 ≥ 10% of line 1. If < 10%, circle in red and, to right of line, write < 10%.

Line 3 check to see if there is a reimbursement letter. If there is, is entry ≥ reimbursement?
If <, write reimbursement amount to right of line, but do not use in computation.

64b = Region IV Worksheet, line 9

AP 1976-77 Fiscal Operations Report

$$61c = \frac{\text{p.8 line 10}}{\text{p.8 line 3}}$$

$$62c = \frac{\text{p.7 line 8a}}{\text{p.7 line 3a}}$$

If funds were released, put an asterisk (*) by % and note $ released at bottom of page.

$$63c = \frac{\text{p.7 line 8b}}{\text{p.7 line 3b}}$$

Take Region IV Worksheet

Refer to Computation III on page 2, as revised. Check all entries. If there is no worksheet, complete one. Note that you prepared it.

$$64c = \text{Region IV Worksheet } \frac{\text{line 10}}{\text{line 11}}$$

61d = 61b x 61c	If ≠, change 61d
62d = 62b x 62c	If ≠, change 62d
63d = 63b x 63c	If ≠, change 63d
64d = 64b x 64c	If ≠, change 64d
65d = 61d + 62d + 63d + 64d	If ≠, change 65d
67d = 67a as corrected	If ≠, change 67d
68d = 65d x 1.06 x 67d	If ≠, change 68d

Is either box 68a or 68d checked? If not, add 69 + 70 + 71 + 72. Does sum = 68a or 68d. If yes, mark appropriate box. If no, review page 3 of Region IV Worksheet to see if 68a or 68d is reflected in column (b). If yes, mark appropriate box. If no, refer to Program Officer.

Edit Instructions (C) continued

Section VII Cont'd

Refer to Region IV Worksheet, page 3. If there is no worksheet, complete one. Check entries for 61(d), 62(d), 63(d), 64(d), 65(d) and 68(a) or 68(d). Check computations on worksheet and make corrections as needed. Do not round fraction in column a at first. If your answer $\neq$ column, try rounding. See if you can derive same answer before making a change.

Formula Limit Selected $\leq$ 69 + 70 + 71 + 72   If $>$, see Program Officer

	Region IV Worksheet, Page 3
69 $\leq$	line A, column 2
70 $\leq$	line B, column 2
71 $\leq$	line C, column 2
72 $\leq$	line D, column 2

Section IX

Check for entries. If none, proceed to Section X

If entry in	Region IV Worksheet, page 3	
77a	69 $\geq$ line A, column 1	If $<$, delete entry in 77a, 78a, 79a and/or 80a on all copies of the application.
78a	70 $\geq$ line B, column 1	
79a	71 $\geq$ line C, column 1	
80a	72 $\geq$ line D, column 1	

An entry in

77b = 69
78b = 70
79b = 77
80b = 72

If $\neq$, correct column b

An entry in

77c = 77a + 77b
78c = 78a + 78b
79c = 79a + 79b
80c = 80a + 80b

If $\neq$, correct column c

For any program for which augmentation is requested, enter % from Section VII, column c, beside the entry in Section IX, column a.

Section X

81a = 64d   If $\neq$, write $\neq$ 64d to left of column a

82a = Computation B on Region IV Worksheet. If $\neq$, change 82a
83a = Sum of 1st 2 lines on Computation C. If $\neq$, change 83a
84a = NDSL reimbursement from Sept. 1977 letter.

Edit Instructions (C) continued

Section X Cont'd

85a = 82a + 83a + 84a　　　If ≠, change 85a

86.1a = FCC allocation from May 24, 1977 letter.　If ≠, change to reflect letter.
86.2a = 1/9 of 86.1a　　　If ≠, check Application Narrative
86a = 86.1a + 86.2a

87a = 85a + 86a - 81a

Check Section IX to see of 80c is completed.

If no, proceed to check Section X, column B
If yes, check 89 and 90, instructions for which are in the box below.

Report of Defaulted Loans

Line 89 = (1b + 2b) - (1c +2c) - U (find amount in narrative)
If there is no U in the narrative, use 0.

$$\text{Line } 90 = \frac{\text{Line } 89}{\text{77 Fisc Op p.5: } 1b - (2b + 3.1b + 3.2b + 3.3b + 3.4d + U)}$$

If 90 > 20%, delete entry in 80c, and change 81b to 72.

81b = 72 (or 80c if augmentation is requested)

82b = 87a
83b = 110% 83a　　　If < 110% note to right of 83b, <10% inc.

$$84b = \overset{\text{77 Fisc Op. p.3}}{(22c + 23c)} - \overset{\text{76 Fisc Op. p.3}}{(22c + 23c)}$$

85b = 82b + 83b + 84b

86b ≤ (.25 x 83b) + 81b - 85b

86.1b ≤ .90 x 86b　　　If >, change 86.1b to reflect 90% FCC
86.2b ≥ .10 x 86b　　　If <, change 86.2b to reflect 10% ICC
86b = 86.1b + 86.2b

87b = 85b + 86b - 81b

General

Be sure you have transferred checks and corrections to all copies. If you made only check marks, simply put one check at the bottom right-hand corner of the appropriate page. All corrections should be reflected on all copies.

Put your name and the date of the edit on the bottom of the log sheet.

Write the type and control, in red, on the right side of the folder label, e.g. 1-1, 5-3, etc.

Signature____________________

EDIT GUIDE

(FOR INSTITUTIONS COMPLETING SECTION VII)

Name of Institution:____________________________

SECTION V

54A = 52A + 53A
54B = 52B + 53B

Divide 54B by 54A. Carry the calculation to two places beyond the decimal point. Correct 67A and 67D if they do not agree with this figure unless the difference can be attributed to the calculation being carried more than two places beyond the decimal point.

SECTION VII

APPLICATION LINE		AP 1976-77 FISCAL OPERATIONS REPORT
61A	=	Sum of Lines 7 and 8, Part IV
62A	=	Sum of Lines 5(a) and 6(a), Part III
63A	=	Sum of Lines 5(b) and 6(b), Part III

To Compute 64A:

Fill in or compute the following figures:

1. Funds Advanced (1976-77 Fis-Op, II, B, 5) $________________
2. Administrative Expenses (1976-77 Fis-Op, II, B, 6) +________________
3. Litigation/Collection Costs (See Computation A) +________________
4. Total Funds Expended (64(a) of Application) $________________

Computation A - Litigation/Collection Costs for 12 Month Period Ending June 30, 1977

1976-77 Fis-Op, II, A:
Line 19.1(a) $______________
Line 19.3(a) +______________
$______________ 1976-77 Cumulative Costs

See Bottom of Section VII for handwritten amount of 1975-76 Cumulative costs.

1976-77 Cumulative Costs $______________
1975-76 Cumulative Costs -______________
(Transfer to line 3 above) $______________

65A = 61A + 62A + 63A + 64A
68A = 65A X 66A X 67A

APPLICATION LINE		AP 1977-78 AUTHORIZATION
61B	=	CWS Federal Amount
62B	=	SEOG Initial Year Amount
63B	=	SEOG Continuing Year Amount

To Compute 64B:

Fill in or compute the following figures:

5. Federal Capital Contribution (Award Letter of 5/24/77) $__________
6. Institutional Capital Contribution (normally 1/9 of FCC) +__________
7. Cash on Hand (See Computation B) +__________
8. Estimated Collections and Other Income (Lines 83A + 84A of Application) +__________
9. Estimated Funds Available (64(b) of Application) $__________

Computation B - Cash on Hand June 30, 1977

1976-77 Fis-Op, II, A:
Line 1 $__________
Line 2 +__________
Line 3 +__________
(Transfer to line 7 above) $__________

APPLICATION LINE		AP 1976-77 FISCAL OPERATIONS REPORT
61C	=	Percentage in Line 12, Part IV
62C	=	Percentage in Line 10(a), Part III
63C	=	Percentage in Line 10(b), Part III

To Compute 64C:

Fill in or compute the following figures:

(a) Funds Expended, 1976-77 (Line 4 of worksheet) $__________ (Transfer line 10 be
(b) Funds Authorized but not requested (1976-77 Fis-Op, II, B, 4) +__________
(c) Institutional match for unrequested funds (1976-77 Fis-Op, II, B, 4 - $ x 1/9) +__________
(d) Cash on Hand 6/30/77 (See Computation B above) +__________
(e) Total Funds Available in A.P. 1976-77 $__________ (Transfer line 11 b

10. $__________ = __________% (64(c) of Application)
11. $

61D = 61B x 61C
62D = 62B x 62C
63D = 63B x 63C
64D = 64B x 64C
65D = 61D + 62D + 63D + 64D
68D = 65D x 66D x 67D

If institution has requested augmentation in any program, compute column (1) below for that program. If the institution's formula limit request is less than the computed minimum per program, write the computed minimum on the application.

Compute the maximum formula limit request for each program using column (2) below. If the institution's formula limit request exceeds the computed maximum per program, reduce the amount to the computed maximum.

For Lines 61-65 always use the column (d) figures only.

(1) Formula Limit Minimum if Augmentation Is Requested

(2) Maximum Formula Limit Request

61(d) *68(a) or (d)
A. CWS Federal Share ______________ x ______________ = $______________ x 1.1 = $______________
65(d)

62(d) *68(a) or (d)
B. Initial Year SEOG ______________ x ______________ = $______________ x 1.1 = $______________
65(d)

63(d) *68(a) or (d)
C. Continuing Year SEOG ______________ x ______________ = $______________ x 1.1 = $______________
65(d)

64(d) *68(a) or (d)
D. NDSL LOL ______________ x ______________ = $______________ x 1.1 = $______________
65(d)

If institution selected 68A as its Formula Limit:
68A $\geq$ 69 + 70 + 71 + 72

If institution selected 68D as its Formula Limit:
68D $\geq$ 69 + 70 + 71 + 72

If 69-72 exceeds Formula Limit Request, write new total on the right below Section VII and also write "Total Exceeds FLR."

SECTION IX (If Applicable)

77B = 69
78B = 70
79B = 71
80B = 72

CWS	77A + 77B =	77C
IY - SEOG	78A + 78B =	78C
CY - SEOG	79A + 79B =	79C
NDSL	80A + 80B =	80C

SECTION X

82A = Computation B Above
85A = 82A + 83A + 84A
86.1A = Federal Capital Contribution on Award Letter of 5/24/77
86A = 86.1A + 86.2A
87A = 85A + 86A - 81A

87A = 82B

If institution has requested Formula Limit:

81B = 72

If institution has requested Augmentation:

81B = 80C

85B = 82B + 83B + 84B
87B ≤ 25% x 83B
86B = 81B + 87B - 85B
86.1B ≤ 90% x 86B

(Edit Check 89 and 90 only if Augmentation in NDSL is requested)

To compute 89

Report of Defaulted Loans:

Lines 1(b) + 2(b) = $_______________
Lines 1(c) + 2(c) = - _______________
Uncollectible Defaulted Loans (See Narrative for $ Amount) - _______________

Line 89 of Application $_______________ (Transfer Amount to Line 12 below)

To Compute 90:

COMPUTATION C : Amount Due and Collectible

A.P. 1976-77 Fis-Op, II, C:

Line 1, Column (b) $______________
Line 2(b) - ______________
Line 3.1(b) - ______________
Line 3.2(b) - ______________
Line 3.3(b) - ______________
Line 3.4(d) - ______________
Uncollectible Defaulted Loans (See Narrative for $ Amount) - ______________

$______________ (Transfer to Line 13 Below)

12. $________________ = % (Line 90 of Application)

13. $

APPENDIX C

GUIDELINES FOR PANEL REVIEW

(1978-79) and (1977-78)

Division of Student Financial Aid

October 19, 1976

INSTRUCTIONS FOR PANEL REVIEW OF DSFA TRIPARTITE APPLICATIONS FOR THE AWARD PERIOD 1977-78

INTRODUCTION

The purpose of the regional panels is to evaluate the institutional applications for funds for use during the Award Period 1977-78 in the Supplemental Educational Opportunity Grants, College Work-Study, and National Direct Student Loan Programs, and to recommend the appropriate funding levels for each institution, considering the financial need of the students at that institution, the institution's administrative capability, and its previous utilization of program funds.

This year institutions were again given the option of filing a long or a short application form. Institutions whose total program request for the Award Period 1977-78 exceeds 110% of the total amount of funds recommended for that institution for the Award Period 1976-77 OR who did not receive allocation letters for any of the SEOG, CWS, or NDSL Programs for BOTH Fiscal Year 1976 and the Award Period 1976-77 were required to complete all pages of the application (referred to as the long form). Institutions whose total program request for the Award Period 1977-78 does not exceed 110% of the total amount of funds recommended for the Award Period 1976-77 AND who received allocation letters for one or more of the CWS, SEOG, or NDSL Programs for BOTH

Fiscal Year 1976 and the Award Period 1976-77 were eligible to complete only pages 1; 2; 3; lines G4.1 - G4.3 on page 10; 12; 13; 14; and 15.

In a review of a short form, the panel will consider enrollment data, previous program utilization compared with the program request(s) for the Award Period 1977-78, past and projected expenditures under the Basic Educational Opportunity Grant Program, and information listed in each program request section, such as the number of students and average awards. The panel will also review the calculations for the institution's Federal capital contribution under NDSL. Where additional information is needed, the panel may review other materials, such as fiscal-operations reports and applications which the institution has previously submitted. Note that the items in the Review Process section of the Instructions which are applicable to a review of the short form are marked with a large asterisk in the left margin. *(see below)

For institutions which file the long form, the panel will determine the recommended funding level by carefully examining all of the items listed above plus such additional factors as the projected number of

---

*Also note that a long form will be accepted as an appeal to a panel reduction of a program request made by the institution through the original submission of a short form.

aid applicants determined to have need and expected to enroll at the institution, the average cost per student, the resources expected to be provided by students and their families, and the resources expected to be made available from the institution and from other sources. Adjustments made in any of the above factors will lead to a recomputation of the projected gross need for funds, which will necessitate a reduction in the total funds requested for the NDSL, CWS, and SEOG Programs if that total request exceeds the revised gross need. Such a reduction will then be distributed among the specific programs, using procedures which will include (a) a look at the projected number of CWS students to be employed to see that any stated increase is practical, (b) a review of the figures on which the NDSL level of lending is based, and (c) an examination of the average SEOG award to determine whether it is within the statutory limits. Finally, the panel will review the derivation of the institution's requested Federal capital contribution in the loan program and make adjustments, as appropriate, when it believes that expected collections or cash carryover funds have been estimated too low, or that expected amounts delinquent are unreasonably high.

In reviewing both long and short forms, the panel's procedures for judging the amount of funds needed in these programs will include careful consideration of the institution's administrative capability and its record of utilization of program funds.

The administrative capability of an institution may be judged to be inadequate to operate a requested program level (a) when there is evidence of inadequate administration of the programs at an institution or (b) when an institution's request for funds is increased substantially over previous years' expenditures while its ability to administer a greatly expanded program is in question. Evidence of inadequate administration may be available on page 13 of the application and in written materials, such as audits, program reviews and/or fiscal-operations reports, or in the form of specific knowledge of panelists or regional office staff. Note that the late submission of an application can be evidence of administrative incapability. The panel must look at page 13 of all applications to review the qualifications and experience of the institution's SFA-related personnel and the percent of time these persons spend administering student financial aid programs, giving particular attention to the institution's projected capability for the collection of National Direct Student Loans. If the panel judges the institution's projected administrative capability to be inadequate to correct previous administrative failings or to properly administer the requested program levels, a cut on the basis of administrative capability is appropriate.

In any case in which administrative capability is a factor in determining the recommended funding levels, the panelist must consult with the regional office staff before making their recommendations. In so doing, the panelists assure themselves of being aware of the latest information which the regional office staff may have concerning the administrative situation at the institution.

Underutilization usually results because the institution has difficulty in administering its funds or because the institution erred in its previous estimates of the amount needed for these programs. The procedures for determining and dealing with the problem of underutilization will be discussed in the "Review Process" section of these Instructions.

PROCEDURAL NOTES

Areas of probable recomputation are indicated by RECOMP in the left margin of these Instructions, and the lines involved are listed. Therefore, if the panel has changed one or more of the lines indicated, it is alerted to the fact that recomputation is necessary. (The exception to this statement is found in step 20, where, because of mathematical complexities, the computational changes are described in more detail.)

The left-hand margin of the Panel Instructions also contains numbers which are line references to the panel notification form. Since the text of the Instructions does not refer to the panel notification form, these numbers indicate where entries must be made on the form if the panel has made changes on the application.

In these Instructions, the word "column" will not be written out with each line reference. The column, when specifically designated, will be indicated as follows: line 42, column c = line 42c or just 42c.

Throughout the Instructions, any guide for a revision by the panel is given with the understanding that the Narrative Section of the application (page 12) does not contain an explanation which would justify the institution's entry. The panel must, therefore, check the Narrative Section to see what information it contains which will be pertinent to the review. Because of the recurring nature of this instruction, it is not listed in the specific steps of these Instructions.

In determining the reasonableness of an application item, general guides may be established based on a comparison of entries made by similar institutions (where appropriate) which are located in the same area.

All changes made to application figures are to be made to those projected for the Award Period 1977-78 except in the NDSL review.

REVIEW PROCESS

* IMPORTANT: Note that all proprietary institutions and any other institution for which fall enrollment does not give the best measure of the number of students served by the institution were instructed to enter in the enrollment section the total number of students who are enrolled and projected to enroll in eligible courses of study at the institution. Each student should be counted as 1 if at least a month of his enrollment period falls within the fiscal year represented. When this headcount method is used, it is shown throughout the application (enrollment, number of needy students, program request sections, and all schedules). Any institution which filed Schedules C and/or D was required to use this headcount method of counting students. The result will be that the number of students will be higher than if reported under the traditional method, but the average costs, average resources, and average awards will be lower.

1. Enrollment and the Projected Number of Aid Applicants Determined to Have Need and Expected to Enroll at the Institution - Lines 26-28 and 60

* A short form application will not provide the number of aid applicants determined to have need and enrolled in the insti-

tution. Therefore, on a short form, review the enrollment figures to ascertain that the institution's request of up to 110% of its recommended program level for the 1976-77 Award Period is supported by an adequate enrollment in light of other known factors.

* (Note that on both short and long forms the institution was instructed to explain in the Narrative the enrollment projection from column (b) to column (c) for Fall 1976 to Fall 1977. Note also that all institutions filing a long form were instructed to show a justification for their larger program requests by explaining their projected increased dollar amounts, enrollment and/or number of needy students.)

On a long form the projected number of aid applicants determined to have need and expected to enroll at the institution (line 60) is closely related to the overall expected enrollment projections and to previous years' experience of the number of financial aid recipients. Therefore, it is necessary to examine the trends in lines 26 through 28 and line 60 somewhat simultaneously. The suggested sequence is as follows:

* a. Examine the actual enrollment figures in line 26 through 28 to determine whether the Fall 1977 enrollment projections (column c) are realistic. If the projections are considered unreasonable, they should be reduced.

#1 and/or #2

This may be the basis for reducing the number of students in line 60c.

b. Review for acceptability the projected number of aid applicants determined to have need and expected to enroll at the institution (line 60c), by comparing it with the past and present numbers of such students in columns a and b. (For brevity, the students represented in line 60c will be referred to hereinafter as the "needy students.") A comparison of the three-year trend in enrollment, lines 26 through 28, with the three-year trend in needy students, line 60, will also be helpful in determining the reasonableness of line 60c.

c. If the panel considers the projected number of needy
#3 students (line 60c) to be unrealistic in comparison
with like-type institutions, this number should be
reduced. Such a reduction may be the result of the
#3a panel's nonacceptance of the projected enrollment,
lines 26c through 28c, or its nonacceptance of the
number of needy students (line 60c) as a percentage
#3b of the total enrollment (line 28c), in comparison with
the same percentages in columns a and b. However, even
if the ratio of line 60 to line 28 is consistent in
#3c columns a, b, c, the panel may reduce line 60c, if it
questions the validity of the ratio.

✱ 2. The institution's utilization of the CWS, SEOG, and NDSL funds in Fiscal Year 1976 is to be of prime importance in the panel's consideration of the institution's need for campus-based funds for the 1977-78 Award Period. A utilization of program funds at less than an acceptable level will result in a reduction of an institution's specific program request, unless there are documented circumstances acceptable to the panel which would negate such a reduction. Because reductions caused by underutilization may be either absorbed or be added to potential reductions caused by other factors, the panel will probably find it most useful to review the utilization information and determine the extent of reductions on this basis before performing the remainder of the application review.

a. CWS and SEOG Utilization - Check the institution's Fiscal Year 1976 CWS and SEOG utilization percentages which are located on the Fiscal Year 1976 fiscal-operations report, as follows:

CWS - Part IV, line 12; SEOG initital year - Part III, line 10, column a; SEOG continuing year - Part III, line 10, column b. (Note that utilization of SEOG initial and continuing year funds must be considered separately.) A utilization rate of 95 percent or above is to be considered acceptable. However, if the utiliza-

#30a and/or #30b
and/or #30c

tion rate for any of the Fiscal Year 1976 CWS, SEOG IY, or SEOG CY funds is below 95 percent without adequate explanation or mitigating circumstances, then the panel must reduce the specific program(s) which was underutilized by following the procedures shown in the chart below. It may also choose to consider that the needs of the institution's students in all three programs have been completely met at the institution's actual level of expenditures if the underutilization in any one program is sufficiently great.

Utilization Rate:	Reduce the specific program request to:
(A) 85-94%	1977 panel recommendation 1/ minus the amount underutilized 2/

1/ Can be found on printout available to panels.

2/ Obtain as follows from the Fiscal Year 1976 fiscal-operations report:

CWS - Part IV, line 11.
SEOG IY - Part III, line 9, column a.
SEOG CY - Part III, line 9, column b.

(B) 66-84%

105% times the Fiscal Year 1976 program expenditure 3/ times the reciprocal of the Fiscal Year 1976 State percentage 4/

3/ Obtain from the Fiscal Year 1976 fiscal-operations report:

CWS - Part IV, line 10.
SEOG IY - Part III, line 8, column a.
SEOG CY - Part III, line 8, column b.

4/ A list of the reciprocals of the State percentages will be provided to the panel.

(C) 0-65%

Fiscal Year 1976 expenditure 3
(In the one program affected
or in all three, at the panel'
option)

3/ See above.

#31 b. NDSL Utilization - Rather than use a strict percentage guide in reviewing for underutilization in this program, the panel should consider the amount of cash available in Fiscal Year 1976 which was unused. Review the cash on hand as of June 30, 1976 (line 57a). If 1) this amount exceeds 25 percent of the collections and other income received (line 49a) and/or 2) there is an entry in line 4 of Section B, Part III of the Fiscal Year 1976 fiscal-operations report indicating some NDSL funds were not drawn down, and 3) there is no evidence on the rest of the NDSL page or Narrative Section to the contrary, certain items on the NDSL page must be revised as follows with the result of lowering the recommended level of lending (line 47c) and Federal capital contritution (line 53c):

#31a and #31b 1) Project reasonable growth in the total funds needed for program operation from line 47a to line 47b and line 47c. Normally a maximum of ten percent growth per year would be considered to be reasonable. However, if more than 50 percent of the NDSL funds available were unused, then lines 47b and 47c should probably be kept at the same level as line 47a.

2) Subtract the panel's reduced entry in line 47b from the institution's entry in that line and add the difference to the cash on hand as of July 1, 1977 (line 48c). The Federal capital contribution (line 53c) will need to be recomputed, but before doing so, perform the remainder of the application review in order that any other revisions to that page may be taken into account.

3. Average Cost Per Student - Line 63

#4 Examine the average cost per needy student on the basis of the three-year trend and in comparison with institutions of similar type.

If line 63c is acceptable, it is not necessary to review Schedules A and B, C and D or E. Proceed to line 62 (step 8 of Panel Instructions).

If line 63c is not acceptable or is in question, look at Schedules A and B or C and D plus Schedule E.

4. Schedules A and B

Since the sum of all lines A10c and B10c must equal line 60c, the first step is to decide how any reductions which may have been made in line 60 should be distributed among Schedules A and B submitted by the institution. Reduction can be made in either of two ways: (1) by lowering the number of students in line 10 (also lines 6.1, 7.1 and 8.1) of one or more schedules, because it seems unreasonably high on the basis of the three-year trend or (2) by making a proportional reduction in line 10 (also lines 6.1, 7.1 and 8.1) of each schedule. Note that if the panel is satisfied with the distribution of needy students throughout Schedules A and B, but is making other cost reductions on the schedules, it may take a shortcut method of reflecting the lowered number of needy students without actually reducing the numbers on lines 6.1, 7.1, 8.1 and 10: Obtain a new interim gross cost from the total of all lines A12 and B12. Divide this total by the number of needy students which the institution originally entered in line 60c. This results in a revised average cost per student which should be entered on line 63c. Multiply this revised average cost by the panel's lowered number of needy students in line 60c to obtain a final revised gross cost for students in line 62c.

Note that the institution was instructed to attach to the application a copy of a catalogue page, publication, etc. to verify the costs shown in column (b) on these schedules. In determining the reasonableness of any item on Schedules A and B, first notice the number of months' duration of the enrollment period (line 13), the type of needy students represented on the schedules (line 14), and the number of dependents (line B15), then consider such factors as the three-year trend and a comparison with like-type institutions. Reasonable allowances are as follows:

a. Line 1 - tuition and fees - Institutions were instructed to submit an explanation if their entry for tuition and fees in column (c) differs significantly from that shown on their attached catalogue page for 1976-77. #4a

Based on the information presented to them by the institution, the panelists must make a determination as to whether the cost of tuition and fees listed in column c is reasonable and acceptable, i.e., that the entry is a realistic charge for July 1, 1977 and that any substantial increase from 1976-77 is adequately supported.

b. Line 2 - books and supplies - It is generally considered reasonable that the average cost of books and supplies would not be greater than $175 for a 9-month period. #4b Therefore, if the institution's entry exceeds $175 for 9 months or if it exceeds a proportionate amount based on a longer or shorter course period, the panel should check the Narrative to see if it contains an acceptable explanation to support the higher average.

c. Line 3 - personal expenses - A reasonable average cost for personal expenses for the student without dependent(s) (Schedule A) would usually be expected not be exceed #4c $450 for a 9-month period. If the institution's entry is greater than $450 for 9 months or if it exceeds a proportionate amount based on a longer or shorter course period, review the Narrative for an acceptable explanation supporting the larger figure.

#4d

d. Line 4 - transportation - For a dependent student living away from home, the standard practice has been to permit the cost of two round trips home by bus or air coach. For commuter students or for students living off campus, reasonable commuting expenses are allowed.

RECOMP

e. Line 5 = 1 + 2 + 3 + 4

#4e

f. Line 6.2 - average per student, room and board for students on campus - Normally accept the institution's entry.

#4f

g. Line 7.2 - average per student, room and board for students off campus - Review for reasonableness taking into account the living costs in the location of the institution.

#4g

h. Line 8.2 - average per student, room and board for students living with parents - Review for reasonableness, considering the cost of living in the area of the institution. (Note that the institution was instructed to explain how this item was calculated.)

RECOMP i. Line 9 = 6 + 7 + 8

RECOMP j. Line 10 = 6.1 + 7.1 + 8.1

RECOMP k. Line 11 = 5 x 10

RECOMP l. Line 12 = 9 + 11

5. Schedules C and D

(In reviewing these schedules, note that if an institution has more than 16 starting dates it should have continued with line 3.17, 3.18, etc., on a second page of the Schedule C or D, with lines 5 through 10 or 11 being completed on the second page.)

The sum of all lines C4c and D4c must equal line 60c. Therefore, any reduction which has been made to line 60c must be distributed among Schedules C and D. The same procedure should be used as was described for Schedules A and B, namely (1) by lowering the number of students in line 4C of one or more of Schedules C and/or D or (2) by making a proportional reduction in line 4c of each schedule. Lines 3.1c, 3.2c, 3.3c, etc., and appropriate lines in columns e, g, and i, must also be reduced to total the lowered line 4c. For a mathematical shortcut of a proportional reduction, see the bottom of page 15 and the top of page 16 of these Instructions. Total all lines C9 and D9 for a new interim gross cost and proceed with the remainder of the previously described steps.

RECOMP a. Line 3.1d = 3.1b x 3.1c
Same for 3.2d, 3.3d, 3.4d, etc.

RECOMP b. Line 3.1f = 3.1e x 3.1b
Same for 3.2f, 3.3f, 3.4f, etc.

RECOMP c. Line 3.1h = 3.1g x 3.1b
Same for 3.2h, 3.3h, 3.4h, etc.

RECOMP d. Line 3.1j = 3.1i x 3.1b
Same for 3.2j, 3.3j, 3.4j, etc.

RECOMP e. Line 4c = 3.1c + 3.2c + 3.3c, etc.
Same for line 4, columns d through j.

f. Determine the reasonableness of the program costs in lines C5 and D5, using the guidelines listed below as a basis on which to make this judgment. These program costs represent the cost per student for the entire course.

Note that the institution was instructed to attach a catalogue page, publication, etc. to verify the costs in lines C5 and D5 of these schedules.

#4a 1. Line 5, column a - tuition and fees - Refer to item "a" on page 17 for a discussion of the review of this entry. Also note that, with regard to proprietary institutions, legislation provides that the availability of assistance to students under these programs may not result in an increase in the tuition, fees or other charges to the students.

#4b 2. Line 5, column b - books and supplies - It is generally considered reasonable that the average cost of books and supplies would not be greater than $175 for a 9-month period ($19.50 cost per month, line 6, column b). Therefore, if the institution's entry exceeds $175 for 9 months or if it exceeds a proportionate amount based on a longer or shorter course period, the panel should check the Narrative Section to see if it contains an acceptable explanation to support the higher average.

3. Line 5, column c - personal - A reasonable average
cost for personal expenses for a student without de-
#4c pendent(s) (Schedule C) would usually be expected not to
exceed $450 for a 9-month period ($50 cost per month, line
C6, column c). If the institution's entry is greater
than $450 for 9 months or if it exceeds a proportionate

amount based on a longer or shorter course period, review the Narrative Section for an acceptable explanation supporting the larger figure.

#4d

4. Line 5, column d - transportation - For a dependent student living away from home, the standard practice has been to permit the cost of two round trips home by bus or air coach. For commuter students or for students living off campus, reasonable commuting expenses are allowed.

#4e

5. Line 5, column e - room and board for students on campus - Normally accept the institution's entry.

#4f

6. Line 5, column f - room and board for students off campus - Review for reasonableness taking into account the living costs in the location of the institution.

#4g

7. Line 5, column g - room and board for students living with parents - Review for reasonableness, considering the cost of living in the area of the institution. (Note that the institution was instructed to show how this was calculated.)

RECOMP

g. Line 6a = 5a ÷ line 2

Line 6b = 5b ÷ line 2

Same for 6c, 6d, 6e, 6f and 6g

h. Line 7 in each column equals the product of line 6 (cost factor per month) in each column times the appropriate number of student months.

Therefore, the recalculation of line 7, necessitated by a revision to line 5 (program costs), line 4d (total number of student months) and/or a revision to column f, h, or i (number of student months for students on campus, off campus and living with parents) may be accomplished with the following steps, as appropriate:

RECOMP Line 7a = 6a x 4d.
Line 7b = 6b x 4d.
Line 7c = 6c x 4d.
Line 7d = 6d x 4d.
Line 7e = 6e x 4f.
Line 7f = 6f x 4h.
Line 7g = 6g x 4j.

RECOMP i. Line 9 = 7a + 7b + 7c + 7d + 7e + 7f + 7g.

6. Gross Costs for Needy Students - Line 62 and Schedule E

RECOMP Any changes in Schedule E will result from changes in Schedule(s) A, B, C, and/or D. The panel should follow the indicated mathematical procedures for deriving line

#5 E3c, and enter the revised amount in line 62c. Note that for institutions which completed Schedules C and/or D, columns a and b will be blank.

RECOMP 7. Line 63 = 62 ÷ 60

RECOMP #5 8. Line 62 = 60 x 63

9. Gross Family Contribution - Line 64 and Schedule F

a. Gross parental contribution

#6 plus #6a and/or #6b Line F1 - number of dependent students - Review line F1c for reasonableness in comparison with columns a and b and as a percentage of needy students (line 60c). (If the panel has previously changed line 60c, then compare line F1 with the panel's recommended number. Generally, if the panel has reduced line 60c, it will reduce line F1c in order that the gross parental contribution, line F3c, will not be inflated.)

#7 Line F2 - average parental contribution - Examine the three-year trend and compare line F2c with the average parental contribution of similar-type institutions using the same need analysis system.

(Institutions were instructed to state in the Narrative Section which need analysis system they will use in the 1977-78 Award Period.)

RECOMP #8

Line F3 = F1 x F2

b. Gross student contribution from single students

#9 plus #9a
and/or #9b

Line F4 - number of single students with or without dependents - Review for acceptability as a portion of the needy students enrolled (line 60).*

#10

Line F5 - average contribution from single students - Using three-year trend and a comparison with like-type institutions, determine the reasonableness of the average.

RECOMP #11

Line F6 = F4 x F5

c. Gross student contribution from married student and spouse

#12 plus #12a
and/or #12b

Line F7 - number of married students - Review for reasonableness as a portion of the needy student body (line 60).*

*NOTE: If line 60, column c, has been reduced, then either line F4 and/or line F7 must be reduced, since line 60 must equal line F4 plus line F7.

#13 Line F8 - average contribution from married student and spouse - Determine that line F8c is realistic as seen in the three-year trend and in comparison with like-type institutions.

RECOMP #14 Line F9 = F7 x F8

RECOMP #15 d. Line F10 = F3 + F6 + F9. Enter the revised figure on line 64c.

10. Gross Aid from Other Sources - Line 65 and Schedule G (Including BEOG, lines G4.1, G4.2, and G4.3)

   a. Review line 65 to see if the three-year trend is reasonable and if the entry in column c seems valid in comparison with institutions with a similar number of needy students in the same State.

   b. If line 65c looks acceptable, scan the rest of Schedule G, especially the Basic Grants data contained in line G4.1 - G4.3, to see if any particular source of aid is considered unreasonably low.

   Note that the institutional aid portions of Schedule G (all of lines G1.2a, G2.2a, and G3.2a and possibly portions of line G9.2a) should be comparable to the institutional scholarship and student aid expenditures for Fiscal Year 1976 (line 72 and/or line 75). However, lines 72 and 75 include (a) the institutional share of CWS and NDSL funds and (b) "no need" student aid, while Schedule G should not include such funds.

c. If line 65 is not considered reasonable, carefully examine Schedule G to discover which sources of aid are low, in comparison with the three-year trend or in comparison with other institutions. If the panel raises any dollar line of Schedule G, this should be reflected in a higher total on line G10.2c and on line 65c.

RECOMP
#16 plus #17
and/or #33

* d. Line G 4 - Basic Grants - For the first time institutions were required to submit Basic Grants data on either a long or a short application form. The panelists should begin the review of the Basic Grants information in exactly the same manner for both long and short forms, as follows: Review for reasonableness the number of students (G4.1c) and the gross amount of Basic Grants (G4.2c) in view of the three-year trend, in comparison with undergraduate enrollment (line 26), and, for long forms, in comparison with the number of needy students (line 60) and SEOG eligibles (line 37, columns e

and f). Note that if the panel has been provided with a printout showing each institution's Basic Grants expenditures as reported on the Progress Report as of June 30, 1976, panelists can compare the amount on the printout with the amount of Basic Grants expenditures shown in line G4.2, column a. Unless the institution gives a satisfactory explanation for any differences, the figure in column a should agree with the report and should be the figure from which the estimates in columns b and c were made.

In making a decision concerning the reasonableness of the BEOG projected expenditures on line G4.2c, the panelists should keep a number of factors in mind. First, full-time and half-time freshmen, sophomores, and juniors were eligible in 1975-76; and beginning with 1976-77, full-time and half-time freshmen, sophomores, juniors, and seniors are eligible. Second, institutions which offer 6-month to 2-year programs should not be expected to expand their Basic Grants Programs at the same rate as a four-year institution, while an institution which was new in 1975-76 and/or 1976-77 may show a higher than average rate of growth in 1977-78. Third, as of 1976-77 the stipulation was lifted which prohibited anyone enrolled as a post-high school student prior to April 1, 1973 from receiving a Basic Grant. This enables some students to participate in the Basic Grants Program in 1976-77 and 1977-78 who were not previously eligible. Fourth, the average BEOG is expected to remain generally the same in all three years (columns a, b, and c).

Taking all of these factors into consideration, panelists must use their best judgment, based on their knowledge and their experience with the BEOG increases at their own institutions, in deciding the reasonableness of an entry in line G4.2c. In any event, line G4.2c should not be lower than the entry in line G4.2b, without an adequate explanation.

#17 Increase the amount of projected BEOG dollars (line G4.2, column c) and number of students, where appropriate, (line G4.1, column c).

✱ e. Continuation of the Review of BEOG Information on a Short Form - (Do not apply the following procedure to the review of a long form. For a long form review, skip to item f below.) When reviewing a short application form, panelists must consider the effect of any increase in Basic Grants funds from 1976-77 to 1977-78 (line G4.2b to line G4.2c) (whether the increase was projected by the institution or entered by the panel) on the institution's need for funds under the CWS, SEOG, and NDSL Programs. Unless there are mitigating circumstances, such as increasing enrollment, or compensating reductions to the campus-based programs for underutilization or other reasons, the panel should generally reduce the request for the campus-based programs along the following lines: Determine the amount of any increase in BEOG expenditures from line G4.2, column b, to G4.2, column c (revised column c, if the panel has already raised the projection) by subtracting column b from (revised) column c. Take the amount of this increase and subtract it from 110% of the institution's panel recommended amount for the 1976-77 Award Period. Note that the panel is not to subtract the amount from the institution's request for the Award Period 1977-78, but rather from 110% of last year's panel recommendation - which can be located on a computer printout provided to the panel. The reduction should generally be made on a proportional basis among the programs.

The procedures for the review of a short form continue in step 13. Note that the panel may wish to postpone any reduction caused by a BEOG increase until it reviews the individual program sections.

f. If the expected number of needy students in line 60c was reduced, the panel must make a judgment as to whether or not the total of the institution's entries for aid from other sources (line G10.2c) should also be reduced, and if so, whether or not the reduction should be strictly proportional to the reduction in the number of needy students. This is an area where the panelists must exercise their most careful judgments and their knowledge of the institution to determine whether and to what extent reductions should be made.

The expected level of institutional aid (lines G1.2, G2.2, and G3.2) is not always directly related to the number of students expected to need and apply for aid. For example, many institutions may have a fairly definite appropriation or endowment fund available for student financial aid, which does not vary according to the number of aid applicants. In other institutions which do not have such sources of funds, it may be appropriate to reduce the expected institutional aid if the number of needy students was reduced. Such a situation often exists with aid from outside sources (lines G4.2, G5.2, G6.2, G7.2, G8.2, and G9.2). For example, in a State with a large State scholarship program, it would be reasonable to expect that fewer aid applicants at that institution result in a lesser amount of aid from outside sources being available as resources, assuming that the institution's original estimate of such resources was reasonably related to its estimated number of needy aid applicants.

11. Derivation of Total Funds Needed and Total NDSL, CWS, and SEOG Funds Expended and Requested - Lines 66 through 71

RECOMP #18 a. Line 66 = 62 minus 64 minus 65

b. Line 71. Institutions were instructed to explain in the Narrative any entry in line 71 (average unmet need) which exceeded $200. If they did not do so, panelists may assume that the excess over $200 represents resources available to students but not reported either on Schedule F or on Schedule G. If panelists choose to make such an assumption, they may decrease line 66c (net need) by an amount equal to the product of (1) the difference between the institution's entry in line 71b and $200 times (2) the number of students allowed in line 60c. #19

RECOMP Revised line 66c = line 66c from step (a) above minus [(71b - $200) x panel approved 60c]

RECOMP #20
plus #20a and/or
#20b

c. Line 67 is limited to 3% (or 4% x 66c if the application was submitted requesting 4% administrative allowance) of line 66 plus NDSL litigation and collection costs (line 46). Reduce line 67c if it exceeds this limit.

RECOMP #21

d. Line 68 = 66 + 67

e. Line 69c cannot be greater than the revised need in line 68c. Therefore, if the panel reduced line 68c to a level which is below the institution's total request on line 69c, line 69c must be reduced to equal the revised line 68c.

RECOMP

Line 69c $\leq$ 68c

12. If line 69c has been adjusted, the panel should generally make a reduction to the specific programs in the same proportion as the institution's request for funds on pages 2 and 3. However, there are several reasons why the panel may consider it more appropriate to reduce one or more programs on an individual basis:

    (1) there is a mandatory reason for reduction, such as an average SEOG or NDSL award in excess of the maximum legal amount;

(2) the need for a specific SEOG, CWS, and/or NDSL Program request is not substantiated in the program request sections (lines 29 through 59);

(3) the institution's capability to adequately administer one or more of the programs is judged inadequate; or

(4) the institution shows a pattern of underutilization in one or more programs. (A reduction to one or more specific programs may have already been made in step 2 of this review.)

Even if line 69c has not been reduced, the panel may cut funds requested for one or more programs for the reasons cited above. Therefore, regardless of whether or not line 69c has been reduced, proceed at this point with a review of the program request sections.

✱ 13. CWS Request - Lines 29 through 34

a. Line 29 - number of students - Examine for reasonableness and practicality, in light of the three-year trend and the number of needy students in line 60c, noting that the institution was instructed to specify in the Narrative how it plans to employ any increased number of students and also to describe its administrative capability to operate an expanded program, particularly in the area of job placement.

#22 plus #22a and/or #22b

b. Lines 30 and 31 - average award and gross compensation to students - Generally accept the institution's entry in line 30c, unless it shows a drastic increase which is not explained. In making this decision of acceptability, it would be appropriate to keep in mind the wage rate for institutions in the same area and the approximate number of hours which would need to be worked to earn the average amount listed on line 30.

#33

RECOMP Line 31 = 29 x 30

RECOMP c. Line 32 $\leq$ 3% x 31 (or $\leq$ 4% x 31c if the institution filed an application requesting 4% administrative allowance)

RECOMP d. Line 33 = 31 + 32

✱ 14. Supplemental Educational Opportunity Grants Program Request - Lines 37 through 41

a. Line 37 - number of students - Examine the total number of students projected in line 37, columns e and f to make certain that it does not exceed the total (revised) number of needy students in line 60c. Also, review the number of continuing year recipients projected for the Award Period 1977-78 as follows: For four-year institutions, line 37f may not exceed 65% of the sum of the entries in line 37, columns c and d. For two-year institutions, line 37f may not exceed 65% of line 37c. The majority of the proprietary (and other 1-year institutions) should not show more than a very few students (transfer students) in line 37f without an explanation. The panel should reduce line 37, columns e and f as necessary to conform to these guidelines, taking into consideration any acceptable explanation contained in the Narrative Section. #23

b. Line 38 - average SEOG - Determine whether the requested average SEOG awards for the Award Period 1977-78 (line 38e and 38f) each exceed the lesser of $1,500 or one-half the recommended average cost

for students (line 63). If it does, then reduce
#33 line 38e and 38f to the appropriate amount.

RECOMP c. Line 39 = 37 x 38

RECOMP d. Line 40 ≤ 3% x 39 (or ≤ 4% x 39e and ≤ 4% x 39f if the institution filed an application requesting 4% administrative allowance)

RECOMP e. Line 41 = 39 + 40

✻ 15. NDSL Level of Lending - Lines 42 through 47

a. Line 42 - number of students - Review for
#33 reasonableness using three-year trend. Generally, this will be reduced only if it exceeds the number of needy students (line 60c) or if the panel considers the institution's projected number of students to be unreasonable when coupled with a history of high delinquency or underutilization.

b. Line 43 - average loan - Check to determine as best
#33 you can that the average loan is reasonable considering the cumulative limits of the legislation. (The aggregate of the loans for all years may not exceed (1) $10,000 for a graduate or professional student, including any NDSL loans made before he became a graduate or professional student, (2) $5,000 for an undergraduate student who has completed two years of a program leading to a bachelor's

degree, but who has not completed the work necessary for such a degree, including any NDSL loans made while completing these two years of study, and (3) $2,500 for any other student.) Normally, an average loan of $1,250 per year should be the highest possible amount considered to be reasonable. If the average loan exceeds $1,250 without good reason (such as being a predominantly graduate institution or a one-year, high cost institution), the average should be cut to $1,250 or below.

RECOMP c. Line 44 = 42 x 43

RECOMP d. Line 45 ≤ 3% x 44c (or ≤ 4% x 44c if the institution submitted an application requesting 4% administrative allowance)

e. Line 46 - litigation and collection costs - Review the three-year trend for reasonableness.

f. Line 47 - total funds needed for program operation (level of lending) - If any changes were made to one or more of lines 44, 45, or 46, the total funds needed for program operation on line 47 must be recalculated.

RECOMP Line 47 = 44 + 45 + 46

* 16. At this point the panel may make reductions in the institution's program requests if it believes that the institution constitutes one of the cases described earlier where the institution cannot properly administer the amount it has requested in line 69c or in the amounts requested for specific programs.

a. Take another look at line 69c (the revised amount if line 69c was reduced due to changes in lines 60-68) on its own merit and in relationship to line 69b, to determine the institution's ability to administer the amount in line 69c.

* b. Review the requests for funds in each program after reductions were made for underutilization, mandatory reasons or because the need for a specific program request was not substantiated.

* c. If the panel then wishes to cut on the basis of administrative capability, there are several ways of doing so: (a) it may reduce a particular program(s), if there is specific administrative difficulty with that program(s); (b) it may make a proportional reduction from all programs if the total amount requested (after mandatory cuts and

cuts for underutilization and for unsubstantiated program needs) is higher than can be properly administered or utilized, but there is no specific area of program administrative difficulty or underutilization; (c) it may use a combination of these methods, by specifically reducing a program and making any remaining reductions on a proportional basis.

* #32 or #33 d. At this point, the panel should make reductions to any specific program or programs where it wishes to reduce the program request because of a problem with administrative capability. Explain reasons for reduction very clearly.

17. After reductions have been made to specific programs for mandatory reasons, for unsubstantiated program need, and for administrative problems or underutilization, add together the panel recommended amounts for CWS (line 33c), NDSL (line 47c), and SEOG (line 41e and line 41f). If the sum of these revised program requests is equal to or less than the panel recommended entry in line 69c, then proportional cuts among the programs need not be made. Simply record the specific panel recommended program requests on the notification form.

If the sum of the revised program requests is greater than (the revised) line 69c, proceed with a proportional cut among the programs.

If no cuts have been made to the individual programs, then the full amount of any reduction to line 69c should generally be made proportionally among the programs.

Note that the policy is that the panels, in making their recommendations, will not elevate any program request above that made by the institution.

18. A proportional cut should be made in the following manner: Obtain a percentage by dividing the revised panel approved amount (revised line 69c) by the original funds requested (original line 69c). Multiply this percentage times each program request (lines 33c, 41e, 41f and 47c) to obtain the panel approved amount for each program. However, if these calculations result in an unreasonably low amount for any particular program, then the panel may instead reduce that program only to a minimally acceptable level and deduct additional amounts from the other programs.

* 19. CWS Federal Share - Line 34c

RECOMP
Block IIb

Line 34c may not exceed 80 percent of line 33c. Therefore, if line 33c has been reduced, line 34c must be recomputed. (The precise percentage is 80.5825, which the panels may choose to utilize if they wish to be more exact.)

* 20. NDSL Federal Capital Contribution

Lines 48 through 59 should be checked even if line 47c was not changed, in order to review the reasonableness of the institution's requested Federal capital contribution in line 53c. In general, the panel's greatest concern should center on the figures entered in column c. However, since the entries in column c should bear certain relationships to those in columns a and b, and since cash at the end of the Award Period 1976-77 (line 57b) must be the same amount as the cash on hand at the beginning of the Award Period 1977-78 (line 48c), the panel should also carefully review lines 48 through 59, columns a and b, and make revisions in columns b and c as appropriate. The criteria for the review of lines 48 through 59 are as follows:

a. Line 48 - cash on hand as of July 1

#29 and #29a

#28

Cash on hand as of July 1 (line 48) must equal cash on hand as of June 30 (line 57). Therefore, line 48b must equal 57a, and line 48c must equal line 57b (unless line 48c was increased due to underutilization in Fiscal Year 1976). The panel must change line 48 columns b and c whenever necessary.

b. Line 49 - collections and other income received - Check to see that the projected collections and other income received in the Award Period 1977-78 are acceptable in relationship to the actual collections and other income received in Fiscal Year 1976 and the estimate of collections to be made and other income to be received in the Award Period 1976-77.

Assuming that the amount due and collectible will generally be increasing at least 10 percent per year, the amount of collections and other income received (line 49) also should normally be expected to increase at least 10 percent per year. Therefore, except in unusual cases which should be explained in the Narrative, line 49 should be at least 110 percent of line 49a and line 49c should equal
#24 at least 121 percent of line 49a. Note that for certain types of institutions, notably 6-month to 2-year institutions, a 10 percent increase in collections

per year would be too low. At a minimum, line 49c must equal the number of students in repayment status (Part II, Section C, line 4 of the Fiscal Year 1976 fiscal-operations report) times $360 (a repayment of $30 per month). Also, a general guide for 6-month to 1-year institutions would be that line 49c must at least equal the number of students in line 42a times $360. Whenever collections and other income in columns b and/or c are below these levels, they should be increased to the appropriate level. Note that when line 49 is increased, the amount of the increase must be added to the cash on hand as of June 30, 1977, line 57b, and to cash on hand as of July 1, 1977, line 48c.

#25 and #25a

#29, #29c
and #28

c. Line 58 - amount delinquent and Line 59 - delinquency rate - The institution was instructed to compute its delinquency rate for Fiscal Year 1976 by dividing the amount delinquent by the amount due and collectible reported on its Fiscal Year 1976 NDSL fiscal-operations report. A computer printout showing the amount due and collectible and the amount delinquent from the Fiscal Year 1975 and 1976 NDSL fiscal-operations reports plus the calculated delinquency rates for those two years will be provided to assist the panel in this review.

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The panel should first check the printout to see if the amount delinquent as of June 30, 1976 (line 58a) and the delinquency rate (line 59a) correspond with those shown on the printout. If they do not agree, double check the application and printout entries with those in the institution's Fiscal Year 1976 fiscal-operations report (a copy of which was to have been submitted with the application) and run a verifying calculation of the Fiscal Year 1976 delinquency rate. (The panels are being requested to make this check, because data for both Fiscal Years 1975 and 1976 are only partially edited and may contain keypunch discrepancies.) The amount delinquent is shown in Part II, Section C, line 5.8, column e of the report; and the amount due and collectible is the sum of the entries in Part II, Section C, line 1, columns c, e and f. Unless the institution has indicated a reason for doing otherwise, the entry in line 58a of the application must equal the entry from the fiscal-operations report, and the delinquency rate on line 59a must represent the calculation from fiscal-operations report figures. The panel should, therefore, make changes to lines 58a and 59a as necessary to reflect the correct amount delinquent and the delinquency rate.

RECOMP

#33

#26 and #26a
or #26b

Ten percent is the maximum delinquency rate (line 59a) which will be acceptable. (If the printout indicates a delinquency rate of less than 10 percent for Fiscal Year 1975, it may be reasonable to expect that the amount delinquent as of June 30, 1976 should be lower than 10 percent.) If the delinquency rate is above 10 percent, the panel must proceed as follows:

(1) Obtain 10 percent of the institution's amount due and collectible as of June 30, 1976. This would generally be considered to be a reasonable amount delinquent as of June 30, 1976.

(2) Subtract the acceptable amount delinquent on June 30, 1976 (which the panel calculated for line 58a) from the actual amount delinquent as of June 30, 1976 (which the institution entered in line 58a -- or which was changed by the panel to equal the Fiscal Year 1976 fiscal-operations report, if necessary).

#25 and #25b

(3) Add the difference calculated in step (2) to line 49c. Note that if line 49c was previously increased by the panel, the difference is added

to the panel revised line 49c. This process allows the institution until June 30, 1978 to collect those delinquencies which the panel judges to be excessive as of June 30, 1976. The only exception to this guide may be when line 49 column a and/or b contains an amount of collections and other income received which is sufficient to account for both normal growth in collections plus a concentrated collection of former delinquencies equal to the difference calculated in step (2) minus acceptable collection and litigation costs and amounts cancelled. In such a case, the panel may choose to add only a portion or none of the difference calculated in step (2) to line 49c.

RECOMP $49c \geq 121\% \times 49a + $ [institution's entry in 58a (same as from fiscal-operations report) - panel's calculated acceptable amount for 58a]

d. Line 56, column c - collections, other income and reimbursements or cancelled amounts received too late to relend - Compare the amount projected to be collected too late to relend (line 56c) with the projected total collections (line 49c) to ascertain what part of the amount expected to be collected in the Award Period 1978 is being deducted as too late for relending. In general, line 56c should not exceed

#27

25 percent of line 49c as adjusted by the panel. If it does, without adequate explanation, then reduce line 56c to 25 percent of line 49c or to an amount which bears the same relationship to line 49c as the amount in line 56a bears to line 49a. If line 56c is reduced, the panel must reduce line 57c to equal line 56c.

#29 and #29a
and/or #29c
and #28

e. If line 49b has been increased (similarly in the cases where lines 48b and/or 50b have been increased), cash on hand as of June 30, 1977 (line 57b) must be increased. This in turn changes cash on hand as of July 1, 1977 (line 48c) and the calculation of the Federal capital contribution requested (line 53c).

f. If changes were made in any of line(s) 47c, 48c, 49c, 50c, or 57c, obtain the new entry for line 52c as follows: Add lines 48c, 49c and 50c to obtain a new subtotal (line 51c). Subtract the revised line 51c from the sum of lines 47c and 57c (revised lines 47c and 57c if the panel made changes).

RECOMP — Line 51c = 48c + 49c + 50c

RECOMP — Line 52c = (47c + 57c) - 51c

RECOMP — g. Line 53c = 90% x 52c

* 21. IMPORTANT: After finishing the review of each application, make absolutely certain that the panel notification form is fully and accurately completed, so that the institutional financial aid officer can easily determine from the form the reasons for the panel's actions. Add comments in the "other reasons for action" section whenever it is felt that further explanation is necessary or would be helpful to the institution.

Make sure that the correct amounts (amounts originally requested by the institution or the panel recommended amounts if the institution's figures were reduced) have been transferred accurately to the panel notification form. Enter NA (not -0-) in blocks Ia through IIIb for any programs for which the institution did not apply. The line references for the amounts to be inserted in the blocks of the panel notification form are as follows:

NDSL level of lending, line 47c	-	Block Ia
NDSL Federal capital contribution, line 53c	-	Block Ib
CWS gross compensation to students, line 33c	-	Block IIa
CWS Federal share of expenditures, line 34c	-	Block IIb
SEOG initial year, line 41e	-	Block IIIa
SEOG continuing year, line 41f	-	Block IIIb

Put a checkmark in the appropriate box(es) on page 1 of the panel notification form to indicate whether the panel's actions resulted in a recommendation of 100 percent funding (as edited, if appropriate) or less than 100 percent funding.

September 1977

Guidelines for Panel Review of DSFA Tripartite Applications for Award Period 1978-79

INTRODUCTION

The purpose of the regional panels is to evaluate the institutional applications for funds for use during Award Period 1978-79 (July 1, 1978 through June 30, 1979) in the College Work-Study, Supplemental Educational Opportunity Grants, and National Direct Student Loan Programs, and to recommend the appropriate funding levels for each institution, considering the institution's previous utilization of program funds, its administrative capability, and all related factors.

This year the institutional requests are based on their program expenditures during Award Period 1976-77, using inflation and enrollment factors. The institution has the option to select either the 1976-77 or 1977-78 Award Period as the base year for the formula limitation. In addition, a request for augmentation of the formula limit, by program, may be made.

Panelists must remember that the figures submitted relative to ACTUAL numbers of students, dollars or percentages must be verifiable on later program review or audit. Thus, these figures would not normally be changed by the panel.

If there is evidence of inadequate administration of the programs at an institution, the request may be reduced. When an institution's request for funds is substantially greater than the previous year's expenditures while its ability to administer a greatly expanded program remains in question, the panel may reduce the request. Evidence of inadequate administration may be available in Section XII of the application and in written materials, such as audits, program reviews and/or fiscal-operations reports, or in the form of specific knowledge of panelists or regional office staff. Note that the late submission of an application or fiscal-operations report can be evidence of administrative incapability.

The panel must review Section XII for all new applicants and those requesting a substantial increase in their level of program operation. Review the qualifications and experience of the institution's SFA-related personnel and the percent of time these persons spend administering student financial aid programs, giving particular attention to the institution's projected capability for the collection of National Direct Student Loans. If the panel judges the institution's projected administrative capability to be inadequate to correct previous administrative failings or to administer the requested program levels properly, it may reduce the request for any or all programs on the basis of lack of administrative capability.

In any case in which administrative capability is a factor in determining the recommended funding levels, the panelists must obtain the latest information which the regional office staff may have concerning the administrative situation at the institution.

All narrative justifications must be carefully reviewed for pertinent information.

PROCEDURAL NOTES

The panel must indicate any revised entry for any line of the application on the official regional office copy of the application. For each application there should be a regional edit check sheet which shows any errors detected and the corrective action taken by the editor. The panel should review the edit check sheet and enter on the Notification of Regional Review Action any "corrections" that affect the funds requested.

After completing the review of each application, the Notification of Regional Review Action must be very carefully completed. If the institution did not apply for a particular program, enter NA in the appropriate boxes. However, if the institution requested funds in a particular program, but the recommendation is that no funds be awarded, enter -0- in the appropriate boxes.

The line references for the amounts to be inserted in the blocks of the Notification of Regional Review Action are as follows:

	Formula Limit Section VII	Augmentation Section IX	Total
CWS-Federal Share	Line 69	Line 77(a)	Sum of the Two*
SEOG-Initial Year	Line 70	Line 78(a)	Sum of the Two*
SEOG-Continuing Year	Line 71	Line 79(a)	Sum of the Two*
NDSL-Level of Lending	Line 72	Line 80(a)	Sum of the Two*
NDSL Fed. Capital Contribution	--	--	Sec. X, Line 86.1(b)

*Except first time applicants and those participating for the first time during Award Period 1977-78. The appropriate figures for them are obtained from Section VI, projected column, Lines 56, 58, and 60.

In addition, any and all reasons for reduction must be precisely stated to enable the financial aid officer to understand your rationale.

REVIEW PROCESS

1. The panel does not need to concern itself with Sections I through IV.

2. Section V - Enrollment Data - Lines 52, 53, and 54

   For institutions which have completed Section VI or IX, review the enrollment figures to ascertain that the institution's request for funds is supported by an adequate enrollment in light of other known factors. Note that all proprietary institutions and any other institution for which fall enrollment does not give the best measure of the number of students served by the institution were instructed to enter

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in the enrollment section full year figures for the period(s) indicated on the form. In addition, the figures reported in columns (a) and (b) are to be ACTUAL. All projected figures, column (c), are to be explained in Section XII. Examine the actual enrollment figures, if any, plus the narrative to determine whether the Fall 1978 enrollment projections (column c) are realistic. If projections are considered unreasonable, they should be reduced, and the appropriate program areas should be reviewed for reasonableness.

3. Section VI - Lines 55 through 60

This section was to have been completed by first time applicants and those with expenditures for the first time during the 1977-78 Award Period.

A. First time applicants are to complete only the "PROJECTED" columns for the appropriate programs. Care is to be exercised in reviewing the requested level(s) of operation and the narrative. Particular attention should be given to the description of personnel available or projected to be available for administration of the program(s).

The regional office will have prepared data showing average expenditures per enrolled student by type and control of institution; e.g., cosmetology, voc tech, paramedical, etc. These averages will have been prepared by the regional office using the same 1.12 inflation factor as in line 66(a). The panel should compare the average total request per enrolled student with the average expenditures of comparable institutions. The regional office will have entered at the bottom of Section VI the average per enrolled student of the institution's aggregate request. The maximum aggregate recommendation for the institution being reviewed is the average expenditure for comparable institutions times the enrollment projection in line 54(c), or the institution's aggregate request, whichever is the lesser. If there is no entry in line 54(c), one must be derived as follows: 1) for those using fall enrollment a) divide line 54(b) by line 54(a); and b) multiply line 54(b) by the quotient; and 2) for those using full year enrollment a) divide line 54(b) by line 54(a); b) square the quotient; and c) multiply line 54(b) by the square. In addition, the panel may recommend lesser amounts for various reasons, such as: 1) insufficient jobs placement activities, on/off campus; 2) lack of matching for SEOG awards; 3) unreasonable SEOG continuing year retention; 4) failure to observe maximum award limitations, etc.

B. Institutions that participated in one or more programs during Award Period 1977-78 must complete both the ESTIMATED and PROJECTED columns and Section VIII.

4. Section VII - Lines 61 through 72

Review the regional check sheet for any relevant corrections. If the institution selected line 68(d) as its formula limit and line 65(d) is

130 percent or more of line 65(a), carefully examine Section VIII to determine whether there is reason to believe that the projected expenditures in lines 61(d) through 64(d) are overstated.

At this point, the panel should recognize that the comparison between the appropriate lines in Sections VII and VIII will indicate that institutions of different types and control will have different patterns of expenditures and commitments. For example: a) 4-year private institutions which are planning to use all available funds will probably show substantially all funds committed, or even over committed; b) community colleges might show one-half to two-thirds of their funds committed; and c) proprietary institutions with frequent enrollment entry dates could show relatively small amounts committed. Therefore, the panel must exercise its judgment in determining whether the reported amount(s) committed are reasonable in comparison with lines 61(d) through 64(d) in light of the type and control of the institution. If any of these entries are not reasonable, the panel may reduce the amounts in lines 61(d) through 64(d) accordingly.

If lines 61(d) through 64(d) are reduced, recompute the projection rate by dividing the revised column (d) by column (b). If the quotient is less than 90 percent, in any program, any augmentation request for that program must be rejected.

If line 65(d) is adjusted downward, line 68(d) must be recomputed. Since the panel has made its cut based on the actual behavior shown in Section VIII, line 68(d) may be reduced below line 68(a).

If line 68(d) has been chosen as the base year for the formula limit and it has been adjusted downward, proportional reductions will be required for lines 69 through 72, as appropriate.

NOTE: The sum of lines 69 through 72 may not exceed the selected formula limit.

5. Section VIII - Lines 73 through 76

See references in 3 and 4 above.

6. Section IX - Lines 77 through 80

A program with a projection rate (Section VII, lines 61(c) through 65(c)) of less than 90 percent will not be considered for augmentation unless unusual circumstances are present and detailed in the "Letterhead Justification." An NDSL delinquency rate (Section X, line 90) in excess of 20 percent will preclude augmentation in that program.

All other augmentation requests will be approved or disapproved on the strength or weakness of the Letterhead Justification. The required "Justification" is to contain facts which can be verified. The institution must have demonstrated how these facts alter the amount of need among their students.

Augmentation requests, program by program, will be approved or denied in Total. Partial approvals cannot be given. Denial in one program does not preclude approval in another. For this purpose, SEOG Initial and Continuing Year are considered separate programs.

The following factors may be considered by the panel in determining the reasonableness of augmentation requests. The list is not intended to be restrictive. For any factor presented in the "Letterhead Justification," the institution must show how it has determined that need has increased above its chosen formula limit.

a) Factors listed in the instructions which accompanied the application.

b) Increases in tuition and fees in excess of the inflation factor. It is not reasonable for the institution to anticipate that 100 percent of the increased costs will be met by these programs without thorough documentation.

c) Previously ineligible students now added to the needy student cohort.

d) New institutional philosophy pertaining to student financial aid and Federal programs.

The following factors are not considered to be valid reasons for approval of augmentation requests. The list is not intended to be restrictive.

a) General cost increases.

b) Withdrawal of outside resources affecting all institutions of similar type within a State.

c) Annual table changes in the need analysis systems.

d) High incidence of disadvantaged students, unchanged from base year.

e) General lack or declining availability of Guaranteed Student Loan funds.

f) Inherently unverifiable data.

g) An implicit or explicit statement concerning the impact of State funding percentages.

7. Section X - Lines 81 through 90

If line (81(a) is greater than 64(d) review the narrative. If the rationale is not acceptable, reduce line 81(a) to agree with line 64(d) and adjust lines 87(a) and 82(b), accordingly. If the panel has reduced line 60(b) or 72, or has rejected line 80(a), it must reduce line 81(b), correspondingly.

Check line 83 for reasonable growth. Assume that the amount of collections and other income received (line 83) will increase at least 10 percent per year and that line 83(b) should be at least 110 percent of line 83(a). Note that for certain types of institutions, notably 6-month to 2-year institutions, a 10 percent increase in collections per year would be too low. Generally, line 83(b) should be at least equal to the number of students in repayment status (Part II, Section C, line 4 of the Award Period 1976-77 Fiscal-Operations Report) times $360 (a repayment of $30 per month). Whenever collections and other income are below these levels, they should be increased to an appropriate level.

If lines 81(b), 82(b) and/or 83(b) are changed, follow through the computations to obtain a new FCC, line 86.1(b).

8. IMPORTANT

After finishing the review of each application, make absolutely certain that the institutional financial aid officer can readily determine the reasons for the panel's actions from the information you supplied on the Notification of Regional Review Action. Make sure that the correct recommended amounts have been accurately entered on the Notification for Regional Review Action.

Put a checkmark in the appropriate box(es) to indicate whether the panel's actions resulted in a recommendation of 100 percent funding (as edited, if appropriate) or less than 100 percent funding.

It is extremely important that all panel members agree that just consideration has been accorded to the facts and figures provided and that the panel's actions have been equitable.

APPENDIX D

PROPOSED CHANGES TO EXISTING REGULATIONS AS PUBLISHED IN THE JUNE 1978 BSFA BULLETIN

1. Sections 144.3, 4, 5, 6, 7, and 16 of Part 144 of Title 45 of the Code of Federal Regulations are amended to read as follows:

§144.3 Apportionment and reapportionment of Federal capital contributions to States.

(a) Apportionment.

(1) Ninety percent of the funds appropriated for Federal capital contributions will be apportioned in accordance with section 462(a)(1) of the Act.

(2) After apportioning funds under subparagraph (a)(1), the Commissioner will apportion the remaining funds so that each institution in each State receives the amount of Federal capital contributions calculated under §§144.6 or 144.7.

(b) Reapportionment.

If the apportionment to a State under paragraph (a) exceeds (1) the total amount of approved requests for Federal capital contributions of institutions in that State and (2) the amount to be transferred to carry out the State Student Financial Assistance Training Program under paragraph (c), the excess will be reapportioned. The Commissioner will reapportion those funds among the States according to the need for Federal capital contributions of institutions in each State as calculated under §§144.6 or 144.7.

(c) Amounts to be transferred to the State Student Financial Assistance Training Program.

(1) The Commissioner may transfer an amount equal to .05 percent of a State's apportionment determined under paragraph (a) of this section, or $10,000, whichever is less, to that State under the

State Student Financial Assistance Training Program authorized under Section 493C of the Higher Education Act of 1965, if the State has submitted an approved application.

(2) Funds reserved for transfer to the State Student Financial Assistance Training Program, which have not been granted to the appropriate agency by the end of the fiscal year for which appropriated, will be returned to that State's apportionment. The Commissioner may allocate this amount on an equitable basis to one or more institutions in that State.

(20 U.S.C. 1087bb and 1088b-3)

§144.4 Allocation, reallocation and payment to institutions.

(a) When funds available within a State for Federal capital contributions are less than the amount of funds requested by institutions in that State, the funds will be distributed as set forth in §144.6. However, allocations to proprietary schools may not exceed the difference between $190,000,000 and the amount appropriated for Federal capital contributions. If the allocations to proprietary schools would exceed that difference, the allocations to those schools will be reduced on a pro rata basis to the appropriate amount.

(b)(1) If an institution anticipates that it will not lend all the money allocated to it by the end of an award period, it must notify the Commissioner of the amount it does not expect to use. The Commissioner will reduce the institution's allocation accordingly.

(2) When enough Federal capital contributions become available for reallocation to make a significant increase in the amount of Federal capital contributions that can be awarded to other institutions in a State that have a need for those funds, the Commissioner will reallocate those funds on a pro rata basis to those other institutions.

(c) The Commissioner will make new Federal capital contributions available for a specific period of time. Funds will be paid to the institution in advance or by way of reimbursement, based on periodic fiscal reports.

(20 U.S.C. 1087bb)

§144.5 Application.

(a) An institution that wishes to make loans under this program must file an application with the Commissioner for an approved level of expenditure before an annually established closing date. The application may request Federal capital contributions.

(b) The application must be on the form prescribed by the Commissioner and contain the information needed to determine the institution's level of expenditure and Federal capital contribution under the procedures set forth in §144.6.

(c) The application must be signed by the official authorized to submit the application and must contain the names of the institution's Director of Student Financial Aid and the individual or official who will be responsible for the receipt, custody and disbursement of Federal funds.

(20 U.S.C. 1087bb)

§144.6 Funding procedures.

(a)(1) The Commissioner will calculate an approved level of expenditure for each institution applying under paragraph (b) of this section (conditional guarantee). Institutions seeking a higher level of expenditure than their conditional guarantee may receive a higher level under paragraph (c) of this section. The amount of Federal capital contribution awarded depends in part on the institution's approved level of expenditure. The Federal capital contribution is calculated under paragraph (e) of this section.

(2) The amount of Federal capital contributions awarded as a result of the level of expenditure calculated under paragraph (b) is conditioned upon enough money being available in the State in which the institution is located to pay the amounts calculated under paragraph (e) to all institutions in that State. If the Federal capital contribution available in a State is below the amount calculated under paragraph (e), each institution's Federal capital contribution award will be reduced on a pro rata basis to the level of available funds.

(b)(1) An institution that participated in the NDSL program in the 1977-1978 and 1978-1979 award years will be approved for a level of expenditure for the 1979-1980 award year that is the greater of (i) its level of expenditure for the 1977-1978 award year, or (ii) its projected level of expenditure for the 1978-1979 award year.

(2) The level of expenditure for the 1977-1978 award year equals 104 percent of the amount of loans made in that award year.

(3) The projected level of expenditure for the 1978-1979 award year is calculated by multiplying the funds available for lending in 1978-1979 by the NDSL utilization rate for the 1977-1978 award year.

(4) As used in subparagraph (3), funds available for lending in 1978-1979 include—

(i) the Federal capital contribution awarded for 1978-1979,

(ii) the matching institutional capital contribution,

(iii) 110% of loan repayments received in 1977-1978,

(iv) reimbursements for 1977-1978 Direct loan cancellations,

(v) cash on hand as of June 30, 1978, and

(vi) fund income.

(5) The 1977-1978 NDSL utilization rate equals the 1977-1978 level of expenditure (i.e., 104 percent of the amount of loans made) divided by the funds available for lending in 1977-1978. Funds available for lending in 1977-1978 included:

(i) the Federal capital contribution awarded for 1977-1978,

(ii) the matching institutional capital contribution,

(iii) loan repayments received in 1977-1978,

(iv) reimbursement for 1976-1977 Direct loan cancellations,

(v) cash on hand as of June 30, 1977, and

(vi) fund income.

(6) If an institution is participating in the NDSL program in the 1978-1979 award year, but did not participate in the NDSL program in award year 1977-1978, it will be considered to have a 100% utilization rate.

(7)(i) If an institution applies to participate in the NDSL program in the 1979-1980 award year, and is not participating in any of the campus based programs in the 1978-1979 award year, its level of expenditure will be calculated by comparing the institution to institutions of the same type and control, that first participated in the NDSL program in the 1978-1979 award year. Specifically, the authorized level of expenditure of the comparable institutions is divided by their number of enrolled students to get a per-student amount. The Commissioner multiplies that amount by the number of students enrolled at the applicant institution.

(ii) For the purpose of this subparagraph: control means public, nonprofit private, and proprietary; and type means universities, four year schools, two year schools, and others.

(8) If an institution applies to participate in the NDSL program in the 1979-1980 award year, is not participating in that program in 1978-1979, but is participating in the SEOG or CWS program in 1978-1979, it will not receive a conditional guarantee and must apply for a level of expenditure under paragraph (c).

(9) If the sum of Federal capital contributions awarded to all institutions in a State as a result of the level of expenditures approved under this paragraph is less than the State apportionment for Federal capital contributions calculated under §144.3(a), awards will be increased to those institutions applying for a higher level of expenditure under paragraph (c). An increase in the Federal capital

contribution under this subparagraph will increase the institution's level of expenditure by the same percentage as the percentage increase in the Federal capital contribution. To increase awards, the Commissioner will —

(i) Subtract from the State apportionment for Federal capital contributions calculated under §144.3(a), the sum of the Federal capital contribution awards already determined as a result of the level of expenditure calculated under subparagraphs (1), (6), and (7) of this paragraph.

(ii) Multiply the remainder by the relative State index for self-help of each institution that applies for additional funds under paragraph (c).

(iii) Add the amount obtained in (ii) for each institution to the amount previously calculated for that institution under subparagraphs (1), (6), or (7) of this paragraph.

(10) For purposes of subparagraph (9)(ii), an eligible institution's relative State index for self-help is calculated by determining that institution's aggregate need for self help under §144.6(c)(1) and dividing that amount by the sum of the need for self help of all institutions in the eligible institution's State applying for additional funds under paragraph (c).

(c) Calculation of fair share.

Each institution applying under this paragraph will receive a level of expenditure which represents the institution's "fair share" of the funds available for lending in the 1979-1980 award year. The "fair share" will be calculated by multiplying each institution's "self help relative national index" by the funds available for lending in the 1979-1980 award year. The Commissioner calculates an institution's "self help relative national index" as follows:

(1) The Commissioner determines the need for self help (need for funds from work and loan sources) of graduate students at the institution by—

(i) establishing various income categories for dependent and independent graduate students,

(ii) establishing an expected family contribution for each income category of dependent students and each income category of independent students, using need analysis methods approved under § 144.13,

(iii) determining the average cost of education for graduate students,

(iv) subtracting from the average cost of education for graduate students, the calculated expected family contribution for each income category of dependent students, multiplying that amount by the number of students in that category and adding the amounts obtained for each income category of dependent students,

(v) subtracting from the average cost of education for graduate students, the calculated expected family contribution for each income category of independent students, multiplying that amount by the number of students in that category, and adding the amounts obtained for each income category of independent students, and

(vi) adding the amounts obtained under clauses (iv) and (v).

(2) The Commissioner determines the need for self help (need for funds from work and loan sources) of undergraduate students at the institution by:

(i) establishing various income categories for dependent and independent undergraduate students;

(ii) establishing an expected family contribution for each income category of dependent students and each income category of independent students, using need analysis methods approved under § 144.13,

(iii) calculating 30 percent of the average cost of education for undergraduate students,

(iv) multiplying the number of dependent students in each income category by the lesser of (A) 30 percent of the average cost of education for undergraduate students or (B) the average cost of education for undergraduate students minus the expected family contribution determined under clause (ii) for that income category, and adding the amounts obtained for each income category of dependent students,

(v) multiplying the number of independent students in each income category by the lesser of (A) 30 percent of the average cost of education for undergraduate students or (B) the average cost of education for undergraduate students minus the expected family contribution determined under clause (ii) for that income category, and adding the amounts obtained for each income category of independent students,

(vi) adding the amounts obtained in clauses (iv) and (v).

(3) For purposes of subparagraphs (1) and (2), the average cost of education minus expected family contribution may not be less than zero.

(4) The total amount of self help need of the institution is the sum of the self help need of graduate students ((c)(1)(vi)) and undergraduate students ((c)(2)(vi)).

The following chart indicates the income categories and the manner in which the appropriate number of students will be reported.

NUMBER OF ENROLLED APPLICANTS BY INCOME CATEGORY FOR 1977-1978

INCOME	UNDERGRADUATE DEPENDENT	GRADUATE/PROF. DEPENDENT	INCOME	UNDERGRADUATE INDEPENDENT	GRADUATE INDEPENDENT
$0 - $ 5,999			$0 - $ 999		
$6,000 - $ 8,999			$1,000 - $1,999		
$9,000 - $11,999			$2,000 - $2,999		
$12,000 - $14,999			$3,000 - $3,999		
$15,000 - $17,999			$4,000 - $4,999		
$18,000 - $20,999			$5,000 - $5,999		
$21,000 - $23,999			$6,000 - $6,999		
$24,000 - $26,999			$7,000 - $7,999		
$27,000 - $29,999			$8,000 - $8,999		
$30,000 - over			$9,000 - over		
TOTAL					

(5) The Commissioner divides the result obtained in subparagraph (4) by the sum of —

(i) the self help need of all institutions applying under this paragraph or under §175.6(c) of the CWS regulations (45 CFR 175.6(c)), and

(ii) the conditional guaranteed level of expenditure for NDSL and the conditional guaranteed CWS amount for all institutions not applying under this paragraph or §175.6(c) of the CWS regulations.

(6) The increase in an institution's level of expenditure may not exceed the difference between its "fair share" and its conditional guarantee.

(d) As used in paragraph (c):

(1) "Cost of education" is the cost of attendance for undergraduate and graduate students who satisfy the eligibility requirements of §144.9(a)(1) and (2). These costs include tuition and fees and a standard cost for living expenses and books and supplies. (The institution will report its total tuition and fee revenues and the Commissioner will prorate this amount for eligible students.)

(2) "Funds available for lending in the 1979-1980 award year" include

(i) the 1979 appropriation for Federal capital contribution,

(ii) the matching institutional capital contribution,

(iii) 121% of 1977-1978 loan repayments,

(iv) reimbursements for 1978-1979 Direct loan cancellations, and

(v) fund income.

(e)(1) The Federal capital contribution for an award year is determined by (i) subtracting from an institution's approved level of expenditure for that year, the loan repayments for that year, fund income, and reimbursements for cancellations of Direct loans for the previous year and (ii) multiplying the remainder by 90%.

(2) If an institution's default rate is not more than 10%, the loan repayments for the purpose of calculating Federal capital contributions for the 1979-1980 award year will be considered to be 121% of the amount collected in the 1977-1978 award year.

(3) Except as provided in subparagraph (4), if an institution's default rate is more than 10%, the loan repayments will be considered to be, for purposes of calculating Federal capital contributions for the 1979-1980 award year, 121% of the amount collected in the 1977-1978 award year, and the amount that would have been collected through June 30, 1978 if the institution's default rate was only 10%.

(4) Even if an institution's default rate is more than 10%, the loan repayment will be considered to be for purposes of calculating Federal capital contribution for the 1979-1980 award year, 121% of the amount collected in the 1977-1978 award year if—

(i) the number of loans made by that institution and in default for less than two years on June 30, 1978 is at least 10 percent less than the number of loans made by that institution and in default for less than two years on June 30, 1977, or

(ii) the institution can document, under § 144.7 that it has followed the due diligence requirements set forth in subpart C of this part for the past two award years.

(f)(1) If an institution's "fair share" of the CWS appropriation exceeds its request for CWS funds, the Commissioner will place the excess in an "Excess CWS Pool." Similarly if an institution is scheduled to receive more Federal capital contributions than it requested, the Commissioner will place that excess in an "Excess Federal Capital Contribution (FCC) Pool."

(2)(i) If an institution has contributed to the "Excess CWS Pool," and its need for Federal capital contributions has not been fully met, it may receive additional Federal capital contributions from the "Excess FCC Pool."

(ii) If an institution has contributed to the "Excess FCC Pool" and its need for CWS funds has not been fully met, it may receive additional funds from the "Excess CWS Pool".

(iii) The amount of additional Federal capital contributions an institution may receive under this subparagraph is proportional to its contribution to the "Excess CWS Pool." The amount of additional CWS funds an institution may receive under this subparagraph is proportional to its contribution to the "Excess FCC Pool". Stated as an equation--

$$\text{Additional FCC} = \frac{\text{Institutional contribution to Excess CWS Pool}}{\text{Excess CWS Pool}} \times \text{Excess FCC Pool}$$

$$\text{Additional CWS} = \frac{\text{Institutional contribution to Excess FCC Pool}}{\text{Excess FCC Pool}} \times \text{Excess CWS Pool}$$

(g) Notwithstanding paragraphs (b), (c), (e) and (f) of this section, no institution may receive more Federal capital contributions than it requested.

(20 U.S.C. 1087bb)

§144.7 Application review - approval of request.

(a) An institution may request a review of its calculated level of expenditure or Federal capital contribution. The Commissioner will convene a national review panel consisting of student financial aid officers and OE personnel.

(b) The review panel will review each request and notify the Commissioner of its recommendations and the reasons for its recommendations.

(c) The Commissioner will establish an approved level of expenditure and Federal capital contributions based on the procedures set forth in §144.6 and the national review panel recommendations.

(20 U.S.C. 1087bb)

§144.16 Making and disbursing loans.

* * *

(i) No loan may be made to a student whose need for the loan was computed using estimated data submitted to the institution before January 1 of the previous award year unless the institution verifies that information.

2. Sections 175.3, 4, 5, 6, 7 and 16 of Part 175 of Title 45 of the Code of Federal Regulations are amended to read as follows:

§175.3 Allotment of Federal funds to States.

(a) Initial allotments.

Two percent of the CWS appropriation will be allotted in accordance with section 442(a) of the Act. An additional amount will be allotted in accordance with section 442(f) of the Act.

(b) Initial allotment to States.

(1) Ninety percent of the amount remaining after allotment of funds under paragraph (a) will be allotted in accordance with section 442(b) and that portion of section 442(c) of the Act which relates to the 1972 allotment guarantee.

(2) After allotting funds under paragraph (a) and subparagraph (b)(1), the Commissioner will allot any amount remaining so that each institution in each State receives the amount of CWS funds calculated under §§175.6 or 175.7.

(c) Amounts to be transferred to the State Student Financial Assistance Training Program.

(1) The Commissioner may transfer an amount equal to .05 percent of each State's initial allotment, as determined under paragraphs (a) and (b) of this section, or $10,000, whichever is less, to that State under the State Student Financial Assistance Training Program authorized under section 493C of the Higher Education Act of 1965, if the State has submitted an approved application.

(2) Funds reserved for transfer to the State Student Financial Assistance Training Program, which have not been granted to the appropriate agency by the end of the fiscal year for which appropriated, will be returned to that State's allotment under the College Work-Study Program. The Commissioner may allocate this amount on an equitable basis to one or more institutions in that State.
(20 U.S.C. 1088b-3)

(d) Reallotment.

The Commissioner will reallot the amount of any State's allotment which (1) exceeds the approved requests of institutions in that State, (2) has not been granted to any institution at the end of the fiscal year for which appropriated, or (3) has not been transferred to carry out the State Student Financial Assistance Training Program. The Commissioner will reallot those funds among the States according to the need for CWS funds of institutions in each State as calculated under §§175.6 or 175.7.
(42 U.S.C. 2752)

§175.4 Allocation, reallocation and payment to institutions.

(a) When funds available within a State are less than the amount of funds requested by institutions in that State, the funds will be distributed as set forth in §175.6.

(b)(1) If an institution anticipates that it will not use all the money allocated to it by the end of an award period, it must notify the Commissioner of the amount it does not expect to use. The Commissioner will reduce the institution's allocation accordingly.

(2) The Commissioner may reallocate those funds on an equitable basis to other institutions in the State that have a need for those funds. If no institution in that State has a need for those funds, the funds may be realloted in accordance with section 175.3, for use in other States.

(c) The Commissioner will make funds available for a specific period of time. Funds will be paid to the institution in advance or by way of reimbursement, based on periodic fiscal reports.

(42 U.S.C. 2756)

§175.5 Application.

(a) An institution that wishes to participate in the College Work-Study program must file an application with the Commissioner before an annually established closing date.

(b) The application must be on the form prescribed by the Commissioner and contain the information needed to determine the institution's allocation of funds under the procedures set forth in §175.6.

(c) The application must contain the information needed to determine whether the institution is complying with the maintenance of effort requirements set forth in §175.20.

(d) The application must be signed by the official authorized to submit the application and must contain the names of the institution's Director of Student Financial Aid and the individual or official who will be responsible for the receipt, custody and disbursement of Federal funds.

(42 U.S.C. 2756)

§175.6 Funding procedure.

(a) Institutions requesting CWS funds will receive an amount calculated under paragraph (b) of this section (conditional guarantee). An institution seeking more than its conditional guarantee may receive an additional amount under paragraph (c) of this section. The conditional guarantee is conditioned upon enough money being available in the State in which the institution is located to pay the amounts calculated under paragraph (b) to all institutions in that State. If the CWS funds available in a State will not fully satisfy all conditional guarantees, each institution's award will be reduced on a pro rata basis to the level of available funds.

(b)(1) An institution that received CWS funds in the 1977-1978 and 1978-1979 award years will receive for the 1979-1980 award year, the greater of (i) its actual CWS expenditures for the 1977-1978 award year or (ii) its projected 1978-1979 award year expenditures.

(2)(i) An institution's projected 1978-1979 expenditure is calculated by multiplying its 1978-1979 allocation by the school's CWS utilization rate for the 1977-1978 award year.

(ii) The CWS utilization rate is calculated by dividing the CWS expenditure in an award year by the grant funds available for expenditure in that award year.

(3) If an institution received CWS funds for the 1978-1979 award year and did not participate in the CWS program in the 1977-1978 award year, it will be considered to have a 100% utilization rate.

(4)(i) If an institution applies to participate in the CWS program in the 1979-1980 award year, and is not participating in any of the campus based programs in the 1978-1979 award year, its conditional guarantee will be calculated by comparing the institution to institutions of the same type and control that first participated in the CWS program in the 1978-1979 award year. Specifically, the amount of CWS funds the comparable institutions received is divided by the number of enrolled students at the schools to get a per-student amount. The Commissioner multiplies that amount by the number of students enrolled at the applicant institution.

(ii) For purposes of this subparagraph: control means public, non-profit private, and proprietary; and type means universities, four year schools, two year schools, area vocational schools and others.

(5) If an institution applies to participate in the CWS program in the 1979-1980 award year, is not participating in that program in the 1978-1979 award year, but is participating in the SEOG or NDSL program in 1978-1979, it will not receive a conditional guarantee and must apply for funds under paragraph (c).

(6) If the sum of CWS conditional guarantee awards for all institutions in a State is less than the State allotment calculated under §175.3(b), awards will be increased to those institutions applying for additional funds under paragraph (c). To increase awards, the Commissioner will--

(i) Subtract from the State allotment calculated under §175.3(b), the sum of the awards already calculated in subparagraphs (1), (3), or (4) for all institutions in the State.

(ii) Multiply the remainder by the relative State index for self help of each institution that applies for additional funds under paragraph (c).

(iii) Add the amount obtained in (ii) for each institution to the amount calculated for that institution under subparagraphs (1), (3), or (4).

(7) For purposes of subparagraph (6)(ii), an eligible institution's relative State index is calculated by determining that institution's aggregate need for self help under §175.6(c)(1) and dividing that amount by the sum of the aggregate self help need of all institutions in the eligible institution's State applying under paragraph (c).

(c) Calculation of fair share.

Each institution applying under this paragraph will receive a "fair share" of the CWS appropriation. The "fair share" will be calculated by multiplying each institution's "self help relative national index" by the CWS appropriation. The Commissioner calculates an institution's self help relative national index as follows:

(1) The Commissioner determines the need for self help (need for funds from work and loan sources) of graduate students at the institution by—

(i) establishing various income categories for dependent and independent graduate students,

(ii) establishing an expected family contribution for each income category of dependent students and each income category of independent students, using need analysis methods approved under § 175.13,

(iii) determining the average cost of education for graduate students,

(iv) subtracting from the average cost of education for graduate students, the calculated expected family contribution for each income category of dependent students, multiplying that amount by the number of students in that category and adding the amounts obtained for each income category of dependent students,

(v) subtracting from the average cost of education for graduate students, the calculated expected family contribution for each income category of independent students, multiplying that amount by the number of students in that category, and adding the amounts obtained for each income category of independent students, and

(vi) adding the amounts obtained under clauses (iv) and (v).

(2) The Commissioner determines the need for self help (need for funds from work and loan sources) of undergraduate students at the institution by:

(i) establishing various income categories for dependent and independent undergraduate students;

(ii) establishing an expected family contribution for each income category of dependent students and each income category of independent students, using need analysis methods approved under § 175.13,

(iii) calculating 30 percent of the average cost of education for undergraduate students,

(iv) multiplying the number of dependent students in each income category by the lesser of (A) 30 percent of the average cost of education for undergraduate students or (B) the average cost of education for undergraduate students minus the expected family contribution determined under clause (ii) for that income category, and adding the amounts obtained for each income category of dependent students,

(v) multiplying the number of independent students in each income category by the lesser of (A) 30 percent of the average cost of education for undergraduate students or (B) the average cost of education for undergraduate students minus the expected family contribution determined under clause (ii) for that income category, and adding the amounts obtained for each income category of independent students,

(vi) adding the amounts obtained in clauses (iv) and (v).

(3) For purposes of subparagraphs (1) and (2), the average cost of education minus expected family contribution may not be less than zero.

(4) The total amount of self help need of the institution is the sum of the self help need of graduate students ((c)(1)(vi)) and undergraduate students ((c)(2)(vi)).

The following chart indicates the income catagoies and the manner in which the appropriate number of students will be reported.

NUMBER OF ENROLLED APPLICANTS BY INCOME CATEGORY FOR 1977-1978

INCOME	UNDERGRADUATE DEPENDENT	GRADUATE/PROF. DEPENDENT	INCOME	UNDERGRADUATE INDEPENDENT	GRADUATE INDEPENDENT
$0 - $ 5,999			$0 - $ 999		
$6,000 - $ 8,999			$1,000 - $1,999		
$9,000 - $11,999			$2,000 - $2,999		
$12,000 - $14,999			$3,000 - $3,999		
$15,000 - $17,999			$4,000 - $4,999		
$18,000 - $20,999			$5,000 - $5,999		
$21,000 - $23,999			$6,000 - $6,999		
$24,000 - $26,999			$7,000 - $7,999		
$27,000 - $29,999			$8,000 - $8,999		
$30,000 - over			$9,000 - over		
TOTAL					

D.25

(5) The Commissioner divides the result obtained in subparagraph (4) by the sum of--

(i) the formula determined self help need of all institutions applying under this paragraph, or under §144.6(c) of the NDSL regulations (45 CFR 144.6(c)) and

(ii) the CWS conditional guarantee plus the conditional guaranteed level of expenditure for all institutions not applying under this paragraph or §144.6(c) of the NDSL regulations.

(6) An institution may not receive more than the difference between its "fair share" and its conditional guarantee.

(d) As used in paragraph (c):

"Cost of education" is the cost of attendance for undergraduate and graduate students who satisfy the eligibility requirements of §175.9(a)(1) and (2). These costs include tuition and fees and a standard cost for living expenses and books and supplies. (The institution will report its total tuition and fee revenues, and the Commissioner will prorate that amount for eligible students.)

(e)(1) If an institution's "fair share" of the CWS appropriation exceeds its request for CWS funds, the Commissioner will place the excess in an "Excess CWS Pool." Similarly if an institution is scheduled to receive more Federal capital contribution than it requested, the Commissioner will place that excess in an "Excess Federal Capital Contribution (FCC) Pool."

(2)(i) If an institution has contributed to the "Excess CWS Pool," and its need for Federal capital contributions has not been fully met, it may receive additional Federal capital contributions from the "Excess FCC Pool."

(ii) If an institution has contributed to the "Excess FCC Pool" and its need for CWS funds has not been fully met, it may receive additional funds from the "Excess CWS Pool".

(iii) The amount of additional Federal capital contributions an institution may receive under this subparagraph is proportional to its contribution to the "Excess CWS Pool." The amount of additional CWS funds an institution may receive under this subparagraph is proportional to its contribution to the "Excess FCC Pool". Stated as an equation--

$$\text{Additional FCC} = \frac{\text{Institutional contribution to Excess CWS Pool}}{\text{Excess CWS Pool}} \times \text{Excess FCC Pool}$$

$$\text{Additional CWS} = \frac{\text{Institutional contribution to Excess FCC Pool}}{\text{Excess FCC Pool}} \times \text{Excess CWS Pool}$$

(f) Notwithstanding paragraphs (b), (c), and (e) of this section, no institution may receive more CWS funds than it requested.

(42 U.S.C. 2756)

§175.7 Application review - approval of request

(a) An institution may request a review of the amount of its conditional guarantee. The Commissioner will convene a national review panel consisting of student financial aid officers and OE personnel.

(b) The review panel will review each request and notify the Commissioner of its recommendations and the reasons for its recommendations.

(c) The Commissioner will set an award amount based on the procedures set forth in §175.6 and the national review panel recommendations.

(42 U.S.C. 2756)

§175.16 Payments to students.

* * * *

(f) No payment may be made to a student whose need was computed using estimated data submitted to the institution before January 1 of the previous award period unless the institution verifies that information.

(42 U.S.C. 2754)

3. Sections 176.3, 4, 5, 6, 7 and 16 of Part 176 of Title 45 of the Code of Federal Regulations are amended to read as follows:

§176.3 Apportionment and reapportionment.

(a) Initial grant--apportionment.

(1) Ninety percent of the funds appropriated for making initial grants for any fiscal year will be apportioned as set forth in section 413D(a) of the Act.

(2) After apportioning funds under subparagraph (a)(1), the Commissioner will apportion the remaining funds so that each institution in each State receives the amount for initial grants calculated under §§ 176.6 or 176.7.

(b) Initial grants--reapportionment.

The Commissioner will reapportion the part of any State's apportionment which exceeds the approved requests for initial grants of institutions in that State, or which has not been transferred to carry out the State Student Financial Assistance Training Program. The Commissioner will reapportion these funds among the remaining States according to the need for initial funds by institutions in these States as calculated under §§176.6 or 176.7.

(c) Continuing grants--apportionment.

The Commissioner will apportion the funds appropriated for continuing grants so that each institution in each State receives the amount for continuing grants calculated under §§176.6 or 176.7.

(d) Continuing grants--reapportionment.

Any funds apportioned under paragraph (c) which are later determined by the Commissioner to exceed the amount required by any State for continuing grants under §§176.6 or 176.7, or which have not been transferred to carry out the State Student Financial Assistance Training Program, will be reapportioned among the remaining States.

(e) Amounts to be transferred to the State Student Financial Assistance Training Program.

(1) The Commissioner may transfer an amount equal to .05 percent of each State's apportionment, as determined under paragraphs (a) and (c) of this section, or $10,000, whichever is less, to that State under the State Student Financial Assistance Training Program authorized under Section 493C of the Higher Education Act of 1965, if the State has submitted an approved application.

(2) Funds reserved for transfer to the State Student Financial Assistance Training Program, which have not been granted to the appropriate agency by the end of the fiscal year for which appropriated will be returned to that State's apportionment. The Commissioner may apportion the amount on an equitable basis to one or more institutions in that State.

(20 U.S.C. 1070b-3 and 1088b-3)

§176.4 Allocation, reallocation and payment to institutions.

(a) When funds available within a State for initial or continuing awards are less than the amount of funds requested by institutions in that State, the funds will be distributed as set forth in §176.6.

(b)(1) If an institution anticipates that it will not use all the money allocated to it for initial or continuing grants by the end of an award period, it must notify the Commissioner of the amount it does not expect to use. The Commissioner will reduce the institution's allocation accordingly.

(2) The Commissioner may reallocate those funds on an equitable basis to other institutions in the State that have a need for those funds. If no institution in that State has a need for those funds, the funds may be reapportioned in accordance with §176.3, for use in other States.

(3) The Commissioner will make funds available for initial and continuing grants for a specific period of time. Funds will be paid to an institution in advance or by way of reimbursement, based on periodic fiscal reports.

(20 U.S.C. 1070b-3)

§176.5 Application.

(a) An institution that wishes to participate in the SEOG program must file an application with the Commissioner before an annually established closing date.

(b) The application must be on the form prescribed by the Commissioner and contain the information needed to determine the institution's allocation of funds under the procedures set forth in §176.6.

(c) The application must contain the information needed to determine whether the institution is complying with the maintenance of effort requirements set forth in §176.20.

(d) The application must be signed by the official authorized to submit the application and must contain the names of the institution's Director of Student Financial Aid and the individual or official who will be responsible for the receipt, custody and disbursement of Federal funds.

(20 U.S.C. 1070b-3)

§176.6 Funding procedure.

(a) Institutions requesting SEOG funds will receive an amount calculated under paragraph (b) of this section (conditional guarantee). An institution seeking more than its conditional guarantee may receive an additional amount under paragraph (c) of this section. The conditional guarantee is conditioned upon enough money being apportioned or reapportioned to the State in which the institution is located to pay the amounts calculated under paragraph (b) to all institutions in that State. If the SEOG funds available in a State will not fully satisfy all conditional guarantees, each institution's award will be reduced on a pro rata basis to the level of available funds.

(b)(1) An institution that received SEOG funds in the 1977-1978 and 1978-1979 award years will receive for the 1979-1980 award year, the greater of (i) its actual SEOG expenditure for the 1977-1978 award year, or (ii) its projected 1978-1979 award year SEOG expenditure.

(2)(i) An institution's projected 1978-1979 SEOG expenditure is calculated by multiplying its 1978-1979 allocation by its SEOG utilization rate for the 1977-1978 award year.

(ii) The SEOG utilization rate is calculated by dividing the aggregate SEOG expenditure in an award year by the grant funds available for expenditure in that award year.

(3) If an institution received SEOG funds for the 1978-1979 award year and did not participate in the SEOG program in the 1977-1978 award year, it will be considered to have a 100% utilization rate.

(4)(i) If an institution applies to participate in the SEOG program in the 1979-1980 award year, and is not participating in any of the campus based programs in the 1978-1979 award year, its conditional guarantee will be calculated by comparing the institution to institutions of the same type and control, that first participated in the SEOG program in the 1978-1979 award year. Specifically, the amount of SEOG funds the comparable institutions received is divided by the number of enrolled students at the comparable schools to get a per-student amount. The Commissioner multiplies that amount by the number of students enrolled at the applicant institution to determine its conditional guarantee.

(ii) For purposes of this subparagraph: control means public, nonprofit private and proprietary; and type means universities, four year schools, two year schools, and others.

(5) If an institution applies to participate in the SEOG program in the 1979-1980 award year, is not participating in that program in 1978-1979, but is participating in the CWS or NDSL program in 1978-1979, it will not receive a conditional guarantee and must apply for funds under paragraph (c).

(6) Each institution's conditional guarantee will be divided between initial grants and continuing grants. This division will be based on the percentage that the institution's request for each type of grant bears to its total request. (For example, if an institution requests $45,000 for initial grants and $55,000 for continuing, 45% of its conditional guarantee will be for initial grants and 55% for continuing grants).

(7) If the sum of initial year conditional guarantee awards for all institutions in a State is less than the State allotment for initial year grants calculated under §176.3(a), awards will be increased to those institutions applying for additional funds under paragraph (c). To increase awards, the Commisioner will --

(i) Subtract from the State allotment for initial grants calculated under §176.3(a), the sum of the awards already calculated in subparagraphs (1), (3) or (4) for all institutions in the State.

(ii) Multiply the remainder by the relative State index for initial grants of each institution that applies for additional funds under §176.6(c).

(iii) Add the amount obtained in (ii) for each institution to the amount calculated for that institution under subparagraphs (1), (3) or (4).

(8) For purposes of subparagraph (7)(ii), an eligible institution's relative State index is calculated by determining that institution's aggregate need for initial year grants under §176.6(c)(1) and dividing that amount by the sum of the need for initial year awards of all institutions in the eligible institution's State applying under paragraph (c).

(c) Calculation of fair share.

Each institution applying under this paragraph will receive a "fair share" of the SEOG appropriation. An institution's fair share of the SEOG initial grant appropriation is calculated by multiplying the appropriation for initial grants by that institution's relative national index for initial grants. An institution's fair share of the SEOG continuing grant appropriation is calculated by multiplying the appropriation for continuing grants by that institution's relative national index for continuing grants.

(1) The Commissioner calculates a relative national index for initial grants by dividing each institution's need for initial grants (determined under subparagraphs (3) and (4)) by the sum of the need for initial grants of all institutions applying for initial year funds. For purposes of this calculation, the need for initial year funds at an institution not applying for additional initial year funds under this paragraph is its conditional guarantee.

(2) The Commissioner calculates a relative national index for continuing grants by dividing each institution's need for continuing grants (determined under subparagraphs (3) and (4)) by the sum of the need for continuing grants of all institutions applying for continuing funds. For purposes of this calculation, the need for continuing year funds of an institution not applying for additional continuing year funds under this paragraph is its conditional guarantee.

(3) The Commissioner calculates the need for SEOG funds for each institution applying under paragraph (c) under the following formula:

SEOG need = 70% X cost of education - (Aggregate Expected Family Contribution (EFC) + Basic Grants +

State Grants + 2/3 Institutional Grants)

(4) The Commissioner divides each institution's aggregate need for SEOG funds between initial grants and continuing grants. This division will be based on the percentage that the institution's request for each type of grant bears to its total request for SEOG funds. (For example, if a school asks for $45,000 for initial grants and $55,000 for continuing grants, 45% of the amount determined in subparagraph (1) will be apportioned to initial grants and 55% to continuing grants.)

(5) An institution may not receive more than the difference between its "fair share" and its conditional guarantee for each type of grant (i.e., initial or continuing).

(d) As used in paragraph (c):

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(1) "Aggregate Expected Family Contribution" (EFC) is calculated by the Commissioner by --

(i) establishing various income categories for dependent and independent undergraduate students,

(ii) establishing an expected family contribution for each income category of dependent students and each income category of independent students, using need analysis methods approved under §176.13,

(iii) multiplying the number of dependent students in each income category by the expected family contribution determined under clause (ii) for that income category, and adding the amounts obtained for each income category of dependent students,

(iv) multiplying the number of independent students in each income category by the expected family contribution determined under clause (ii) for that income category, and adding the amounts obtained for each income category of independent students, and

(v) adding the amounts obtained in clauses (iii) and (iv).

(2) "Cost of education" is the cost of attendance for undergraduate students who satisfy the eligibility requirements of §176.9(a)(1) and (2). These costs include tuition and fees and a standard cost for living expenses and books and supplies. (The institution will report its total tuition and fee revenues and the Commissioner prorates this amount for eligible undergraduate students.)

The following chart indicates the income categories and the manner in which the appropriate number of students will be reported.

NUMBER OF ENROLLED APPLICANTS BY INCOME CATEGORY FOR 1977-1978

INCOME	UNDERGRADUATE DEPENDENT	INCOME	UNDERGRADUATE INDEPENDENT
$ 0 - $ 5,999		$0 - $ 999	
$ 6,000 - $ 8,999		$1,000 - $1,999	
$ 9,000 - $11,999		$2,000 - $2,999	
$12,000 - $14,999		$3,000 - $3,999	
$15,000 - $17,999		$4,000 - $4,999	
$18,000 - $20,999		$5,000 - $5,999	
$21,000 - $23,999		$6,000 - $6,999	
$24,000 - $26,999		$7,000 - $7,999	
$27,000 - $29,999		$8,000 - $8,999	
$30,000 - over		$9,000 - over	
TOTAL			

(3) State grants are the sum of all State grants and scholarships received by undergraduate students at the institution during the 1977-1978 award year.

(4) Institutional grants include the sum of those categories of undergraduate gift aid included in determining the maintenance of effort amount under §176.20.

(e) Notwithstanding paragraphs (b) and (c) of this section, no institution may receive more money than it requested for initial or continuing grants.

(20 U.S.C. 1070b-3)

§176.7 Application review - approval of request.

(a) An institution may request a review of its conditional guarantee. The Commissioner will convene a national review panel consisting of student financial aid officers and OE personnel.

(b) The review panel will review each request and notify the Commissioner of its recommendations and the reasons for its recommendations.

(c) The Commissioner will set an award amount based on the procedures set forth in §176.6 and the national review panel recommendations.

(20 U.S.C. 1070b-3)

§176.16 Payment of grant.

* * *

(i) No Supplemental Grant may be paid to a student whose need for the grant was computed using estimated data submitted to the institution before January 1 of the previous award period unless the institution verifies that information.

APPENDIX E

NOTIFICATION OF REGIONAL APPEAL

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

NOTIFICATION OF REGIONAL APPEAL ACTION ON APPLICATION FOR FEDERAL STUDENT FINANCIAL AID PROGRAMS FOR THE AWARD PERIOD 1977-78 *(July 1, 1977-June 30, 1978)*

The regional appeal of your application for funding in one or more of the programs listed below has resulted in a recommendation that your institution be funded at the following level(s). These figures are **recommendations** only and are subject to change due to legislation, appropriations, application of the State allotment formula(e) and regulations for distribution of available funds.

SERIAL NO. *(DSFA)*	ENTITY NO.	ADP LINE NO.	DATE	FEDERAL REGION
	1-	1D004		

I. NATIONAL DIRECT STUDENT LOAN PROGRAM

a. LEVEL OF LENDING	b. FED. CAPITAL CONTRIBUTION
$	$

II. COLLEGE WORK-STUDY PROGRAM

a. GROSS COMPENSATION	b. FEDERAL SHARE
$	$

III. SUPPLEMENTAL EDUC'L OPPORTUNITY GRANTS PROGRAM

a. INITIAL	b. CONTINUING
$	$

☐ RECOMMENDED 100 PERCENT FUNDING OF REQUESTED AMOUNTS (☐ as edited) IN ONE OR MORE PROGRAMS

☐ RECOMMENDED LESS THAN REQUESTED AMOUNTS IN ONE OR MORE PROGRAMS AND LESS THAN REGIONAL RECOMMENDATION(S)

☐ SUSTAINED REGIONAL REVIEW RECOMMENDATIONS IN IN ONE OR MORE PROGRAMS

☐ RECOMMENDED LESS THAN REQUESTED AMOUNTS IN ONE OR MORE PROGRAMS BUT GREATER THAN REGIONAL RECOMMENDATION(S)

IT IS IMPORTANT TO NOTE THE FOLLOWING:

- The above figures are **recommendations** only; your final approved funding level(s) will be shown on a grant letter(s) in the spring. The final allocations may be significantly less than these recommendations.
- You may appeal any reduction in your requested funding levels made by the regional appeal. All appeals must be submitted in writing in five copies to your regional office and must be **received** no later than **January 14, 1977.** In accordance with published regulations, no additional information beyond that which was available to the regional office for review will be considered in the national review.
- **ELIGIBILITY –** In order to receive funds for any of these programs, an institution must be certified as an eligible institution by the DEAE. If a school is applying to participate in any of these programs for the first time in the Award Period 1977-78, it is the institution's responsibility to insure that the DEAE is in receipt of all necessary materials to determine the institution's eligibility status by **January 31, 1977.** For information regarding eligibility contact:

Division of Eligibility and Agency Evaluation
Bureau of Postsecondary Education
U.S. Office of Education
Washington, D.C. 20202

THE REASON(S) FOR REDUCTION OF YOUR REQUESTED PROGRAM LEVEL(S) OF OPERATION ARE INDICATED BY THE INSERTION OF A RECOMMENDED NUMBER OR AMOUNT ON THE APPROPRIATE LINE:

1. The projected enrollment of undergraduate students (*line 26, column c*) is considered unrealistic.	#
2. The projected enrollment of graduate and professional students (*line 27, column c*) is considered unrealistic.	#
3. The projected number of aid applicants determined to have need and expected to enroll at your institution (*line 60, column c*) is considered excessive:	#
a. Because of reductions made in the projected enrollment (*lines 26-28, column c*).	☐
b. Because of nonacceptance of the number of needy students (*line 60, column c*) as a percentage of the total enrollment (*line 28, column c*) compared with the percentages in columns a and b.	☐
c. Because the number of needy students (*line 60*) as a percentage of the total enrollment (*line 28*), in columns a and/or b, as well as in column c, is questioned.	☐
4. The average cost (*line 63, column c*) is considered excessive. The following lines on Schedules A and/or B or Schedules C and/or D were changed:	$

	Full-time Sch. A/C	Half-time Sch. A/C	Full-time Sch. B/D	Half-time Sch. B/D
a. Tuition and fees:	$	$	$	$
b. Average books and supplies:	$	$	$	$
c. Average personal expenses:	$	$	$	$
d. Average transporation:	$	$	$	$
e. Average room and board for students living away from parents – on campus:	$	$	$	$
f. Average room and board for students living away from parents – off campus:	$	$	$	$
g. Average room and board for students living with parents:	$	$	$	$

OE FORM 1184, 11/76

PREVIOUS EDITIONS OF THIS FORM ARE OBSOLETE.

SERIAL NO. *(DSFA)*	NAME OF INSTITUTION	CITY	STATE

24. The collections and other income estimated to be received in the Award Period 1976-77 *(line 49, column b)* are too low compared with the actual collections and other income received during Fiscal Year 1976 *(line 49, column a)*.	$
25. The collections and other income projected to be received in the AP 1977-78 *(line 49, column c)* are too low:	$
a. Compared with actual collections and other income received during Fiscal Year 1976 *(line 49, column a)*.	☐
b. Because the amount delinquent on June 30, 1976 (*line 58, column a*) is considered to be excessive. (See item 26 below.)	☐
26. The amount delinquent as of June 30, 1976 (*line 58, column a*) is considered excessive in comparison with the amount due and collectible as of June 30, 1976 (*from the institution's Fiscal Year 1976 NDSL fiscal-operations report*).	$
a. The institution failed to provide the required explanation of a delinquency rate in excess of 10%.	☐
b. Taking into consideration the institution's explanation of a delinquency rate in excess of 10%, the amount delinquent was reduced to an acceptable level.	☐
27. The amount shown as too late to relend (*line 56, column c*) exceeds 25% of the projected collections and other income *(line 49, column c)* without an adequate explanation.	$
28. Cash on hand as of July 1, 1977 *(line 48, column c)* has been increased, because it must equal cash on hand as of June 30, 1977 *(line 57, column b)*.	$
29. Cash on hand as of June 30, 1977 *(line 57, column b)* was increased:	$
a. Because cash on hand as of July 1, 1976 *(line 48, column b)* has been increased to equal cash on hand as of June 30, 1976 *(line 57, column a)*.	☐
b. Because the total funds needed for program operation in the Award Period 1976-77 *(line 47, column b)* has been decreased.	☐
c. Because estimated collections and other income received in the Award Period 1976-77 *(line 49, column b)* were increased. (See item 24 above.)	☐
30. The amount requested in CWS and/or SEOG has been reduced because of underutilization of previous allocation(s):	☐
a. Percentage of utilization of CWS Gross Compensation and Federal Share in Fiscal Year 1976.	%
b. Percentage of utilization of SEOG initial year funds in Fiscal Year 1976.	%
c. Percentage of utilization of SEOG continuing year funds in Fiscal Year 1976.	%
31. The amount requested in NDSL has been reduced because the amount of cash on hand and/or the amount of Federal capital contribution not requested as of June 30, 1976 is considered to be excessive. Therefore, the total funds needed for program operation in line 47, columns b and/or c were reduced as follows:	☐
a. Line 47, column b *(See item 29 above)*	$
b. Line 47, column c.	$

32. The administrative capability of the institution is judged to be inadequate to operate properly a requested program level. (See item 33 below for details.) ☐ NDSL ☐ CWS ☐ SEOG

33. Other reasons for action:

APPENDIX F

PROGRAM REVIEW GUIDE

REGULATIONS TO BE CHECKED

A. General Program Administration:

COMMENTS: 1. Does the institution have written priorities established in selecting students to receive aid?

REFERENCE: NDSL Interim Regs. - Section 144.9(e)
SEOG Interim Regs. - Section 176.9(a)(4), (5), (c)
CWS NPRM - Section 175.10 (f)

2. Does the institution have current student budgets?

REFERENCE: NDSL Interim Regs. - Section 144.11
SEOG Interim Regs. - Section 176.11
CWS NPRM - Section 175.12

3. Are appropriate data available to support the current budgets?

REFERENCE: NDSL Interim Regs. - Section 144.11
SEOG Interim Regs. - Section 176.11
CWS NPRM - Section 175.12

4. Division of Functional Responsibility:

(a) Are major functional responsibilities (Program/Fiscal) divided so that a single individual does not bear sole responsibility for the entire administration of the programs?

(b) Are the functions of authorizing funds and disbursing funds divided in such a fashion that no office has responsibility for both functions with respect to any particular student aided?

REFERENCE: NDSL Interim Regs. - Section 144.18(a)
SEOG Interim Regs. - Section 176.23(a)
CWS NPRM - Section 175.29(a)

5. Has the institution designated an official who has the responsibility for coordination of the campus-based programs with other Federal and non-Federal programs?

REFERENCE: NDSL Interim Regs. - Section 144.14(a)
SEOG Interim Regs. - Section 176.14(a)
CWS NPRM - Section 175.15(a)

6. Evidence of administrative capability:

(a) Is there a systematic method by which the FAO furnishes aid recipient lists, and any adjustments, to the Fiscal Office?

(b) Is there a systematic method by which the student financial aid office (and lender where appropriate) is notified when a student withdraws or drops courses?

COMMENTS:

(c) Is there a systematic method by which the enrollment status of the student is verified before disbursement is made?

REFERENCE: NDSL Interim Regs. - Section 144.9(a)(2), (4)
144.42(a)
SEOG Interim Regs. - Section 176.9(a)(2)
CWS NPRM - Section 175.10(a)(2)
BEOG Regs. - Section 190.75
GSL Regs. - Section 177.62(a)(b)

(d) Is there a systematic method by which the financial aid office verifies student status in good standing (measurable progress)?

REFERENCE: NDSL Interim Regs. - Section 144.9(a)(4)
Section 144.2(r)
SEOG Interim Regs. - Section 176.9(a)(3)
CWS NPRM - Section 175.10(a)(2)
BEOG Regs. - Section 190.3(a)(1)(8/10/76)

7. Is there adequate and qualified staffing in the financial aid office?

REFERENCE: NDSL Interim Regs. - Section 144.6(h)
SEOG Interim Regs. - Section 176.6(h)
CWS NPRM - Section 175.6(a)

8. Are administrative files up-to-date and containing:

(a) Institution's copy of all Terms of Agreement?

(b) Notification of review action on institution applications and appeals?

(c) Program allocation letters?

(d) Program Reports? (Fisc-ops, Default Report, Prg. Rep. Validation Report, Student Confirmation Report)

(e) Regulations [including those pursuant to the Education Amendments of 1976 (10/12/76)]:

NDSL Interim Regs. (11/24/76)
SEOG Interim Regs. (11/24/76)
CWS Regs. (09/01/76) (CWS NPRM 9/28/77)
BEOG Regs. (08/10/76) (06/11/76) (04/04/75)
(12/02/74) (11/06/74)
GSL Regs.

(g) NDSL list of designated low-income schools published in the FEDERAL REGISTER?

(h) Student Financial Aid Handbook - 1977 (BEOG, NDSL, CWS, SEOG)

A. General Program Administration

9. For schools receiving administrative allowances does the information prepared for dissemination to students include descriptions of:

   (a) Programs authorized under Title IV?

   (b) Programs administered by the State in which the institution is located and the institutions own programs?

   (c) Procedures and forms for applying for aid, student eligibility requirements, recipient selection criteria, and eligibility criteria for the above programs?

   (d) Rights and responsibilities of students receiving aid under the Federal Financial Aid Programs.

   REFERENCE: Student Consumer Information Services Regs:
   Section - 178.4

10. Is an employee or group of employee's available on a full time basis to assist students and prospective students?

    REFERENCE: Student Consumer Information Regs: Section - 178.5

B. Review of Student Folders/Files:

COMMENTS: 1. Does each student file take into consideration the amount of BEOG a student is entitled to receive, whether that student has applied for a BEOG or not, when making an award of campus-based funds?

REFERENCE: NDSL Interim Regs. - Section 144.14(c)
SEOG Interim Regs. - Section 176.14(c)
CWS NPRM - Section 175.15(c)

2. Does each student folder contain the following documentation for each year of award:

(a) Financial Aid Application?

(1) Citizenship or resident status?

(2) Information on any prior aid received at another institution?

(3) Valid SER (institution copy)

REFERENCE: (a)(1) NDSL Interim Regs. - Section 144.9(a)(1)
SEOG Interim Regs. - Section 176.9(a)(1)
CWS NPRM - Section 175.10(a)(1)
GSL Regs. - Section 177.2(a)(4)
(2) NDSL Interim Regs. - Section 144.31
SEOG Interim Regs. - Section 176.16(d)
(3) BEOG Regs. - Section 190.80

(b) Completed parent's/student's financial statement?

REFERENCE: NDSL Interim Regs. - Section 144.12
SEOG Interim Regs. - Section 176.12
CWS NPRM - Section 175.13

(c) Computed need analysis using the system(s) approved by the institution in the Terms of Agreement?

REFERENCE: NDSL Interim Regs. - Section 144.13 & 144.18(b)(1)
SEOG Interim Regs. - Section 176.13 & 176.23(b)
CWS NPRM - Section 175.14 & 175.29(b)(viii)

(d) Clear data which show an accurate budget for the student?

REFERENCE: NDSL Interim Regs. - Section 144.11
SEOG Interim Regs. - Section 176.11
CWS NPRM - Section 175.12

COMMENTS: (e) Clear data which readily permit a determination of resources and student's need?

REFERENCE: NDSL Interim Regs. - Section 144.12 & 144.14(b)
SEOG Interim Regs. - Section 176.12 & 176.14(b)
CWS NPRM - Section 175.13 & 175.15(b)

(f) Written documentation when changes have been made in the family resources and/or the student's computed need (preferably signed and dated by source of information)?

REFERENCE: NDSL Interim Regs. - Section 144.12
SEOG Interim Regs. - Section 176.12, 176.13(f) & 176.9(c)(2) & (3)
CWS NPRM - Section 175.13

(g) An award letter?

(1) Dated?

(2) Listing all campus-based and other applicable aid awarded?

(3) Signed by the Financial Aid Officer?

REFERENCE: NDSL Interim Regs. - Section 144.18(b)
SEOG Interim Regs. - Section 176.17(b) & 176.23(b)
CWS NPRM - Section 175.22(c) & 175.29(b)(1)(viii), (ix)

(h) A dated acceptance of award signed by the student?

REFERENCE: SEOG Interim Regs. - Section 176.17(b)
CWS NPRM - Section 175.22(c)

(i) A notarized Affidavit of Education Purpose?

REFERENCE: NDSL Interim Regs. - Section 144.9(f)
SEOG Interim Regs. - Section 176.9(e)
CWS NPRM - Section 175.10(k)
BEOG Regs. - Section 190.75(d)-(8/10/76)
GSL Regs. (where school is lender) - Section 177.10

(j) Appropriate certification or documentation of student's independence?

REFERENCE: NDSL Interim Regs. - Section 144.2(dd) & 144.12(c)
SEOG Interim Regs. - Section 176.2(s) & 176.12(c)
CWS NPRM - Section 175.2(w) & 175.13(c)

COMMENTS: 3. Is there evidence that student's awards are packaged so that:

(a) No student's total aid awarded exceeds need?

REFERENCE: NDSL Interim Regs. - Section 144.14(b), (f)
SEOG Interim Regs. - Section 176.14(b), (f)
CWS NPRM - Section 175.15(b), (e)

(b) NDSL awards do not exceed cumulative limits?

REFERENCE: NDSL Interim Regs. - Section 144.31, and pertinent comment/response on page 51952

(c) No SEOG award is less that $200 or greater than $1,500 for an academic year?

REFERENCE: SEOG Interim Regs. - Section 176.16(a)

(d) SEOG awards do not exceed cumulative limits?

REFERENCE: SEOG Interim Regs. - Section 176.16(d)

(e) A student receiving an SEOG award meets the definition of "exceptional financial need?"

REFERENCE: SEOG Interim Regs. - Section 176.(a)(4) &
176.9(c)(1)

(f) An SEOG award is appropriately matched with other eligible aid?

REFERENCE: SEOG Interim Regs. - Section 176.16(a), (b), (c), (e)

(g) SEOG awards are proportionately reduced for periods less than an academic year?

REFERENCE: SEOG Interim Regs. - Section 176.16(b) & 176.17

4. If an adjustment should be necessary in the award package is there evidence that the institution makes appropriate adjustments to the financial aid package within the term or the award year involved?

REFERENCE: NDSL Interim Regs. - Section 144.13(d), (f)
SEOG Interim Regs. - Section 176.13(e), (f)
CWS NPRM - Section 175.14(e), (f)

C. Programmatic Section:

COMMENTS: 1. Are written job descriptions available on the CWS positions?

REFERENCE: CWS NPRM - Section 175.17(c)(1) & Appendix B

2. Are job categories appropriate - Religious, political and displacement provisions satisfied?

REFERENCE: CWS NPRM - Section 175.17(b)

3. Does off campus employment meet the public interest test?

REFERENCE: CWS NPRM - Section 175.17(a)(4)

4. Off campus CWS agreements:

(a) Is there a current written agreement on file for each off-campus agency participating in the CWS program?

(b) Are agreements properly executed with only private non-profit or public institutions?

(c) If the institution is proprietary, is it clear that all CWS employment is with off-campus employers which satisfy the conditions above?

(d) Are agreements dated?

(e) Do the agreements follow the model as set forth in Appendix B of the CWS regulations?

REFERENCE: CWS NPRM - Section 175.17(a)(1), (c)(1),
& Appendix B

5. Minimum wage regulations:

(a) Is the institution paying the current minimum wage to CWS students?

(b) If less, and if the institution is a private institution, does it have current approval from the Department of Labor, Wage and Hour Division, to pay subminimum wages?

COMMENTS: (c) If less, and if the institution is a public institution, (1) does it have approval which was effective on June 24, 1976, from the Wage and Hour Division to pay subminimum wages even though that division no longer makes this determination for public institutions, or (2) has the institution requested approval from the Commissioner to pay subminimum wages?

REFERENCE: CWS NPRM - Section 175.19

6. Payroll regulations:

(a) Is there a system to limit the earnings of individual students to the amount awarded?

(b) Under the system are the earnings posted on a current basis?

REFERENCE: CWS NPRM - Section 175.29(b), (iii) thru (viii)

7. Restrictions on CWS earnings:

(a) Do all CWS students work not more than an average of 20 hours per week (excluding summer 40-hour week CWS employment)?

(b) If some CWS students are working in excess of an average of 20 hours per week, but not more than 40 hours per week, is there written documentation that the student's financial need remains so great it cannot be met from a job of 20 hours per week?

(c) If students are employed beyond the 40 hour limitation, are the excess hours paid solely from other than Federal CWS funds?

(d) Are such funds taken into account in determining the resources of that student?

(e) Are CWS wages reasonable and appropriate in light of local circumstances and type of employment?

(f) If the institution places CWS students with its private profit making services (food services, security services, etc.), does the contract between the institution and the service agency specifically provide for the employment of a number of CWS students and their selection by the institution?

REFERENCE: CWS NPRM - Section 175.20 & 175.17(a)(2), (b)(6)

COMMENTS: 8. Summer CWS earnings:

(a) If a student works on CWS during a summer period, or other period during which she/he is not enrolled, are costs incident to employment considered to be 20 percent of the student's gross earnings or $300, whichever is less?

(b) Is there written documentation in the student's file if costs incident to employment exceed the lesser of $300 or 20 percent?

(c) Do such earnings not exceed the lesser of $600 or 40 percent in all cases?

REFERENCE: CWS NPRM - Section 175.21

9. Time Cards:

(a) Are CWS time cards submitted at least monthly?

(b) Does the time card contain a certification by the student's supervisor stating that the student has worked the number of hours listed?

(c) Does the time card contain a certification by the student's supervisor of whether the work has been performed in a satisfactory manner?

REFERENCE: CWS NPRM - Section 175.29(b)(iii)

10. Does the institution observe the $100 limitation on overaward and the $200 limitation on overaward resulting from employment in two or more jobs?

REFERENCE: NDSL Interim Regs. - Section 144.14(f)
SEOG Interim Regs. - Section 176.14(f)
CWS NPRM - Section 175.15(d)

11. Are appropriate files and records protected against fire and theft?

REFERENCE: NDSL Interim Regs. - Section 144.18(g)

12. Does the institution use the appropriate National Direct Student Loan promissory note form?

REFERENCE: NDSL Interim Regs. - Section 144.32 & Appendix B

OMMENTS:

13. Is there evidence that the institution provides to the borrower not later than the time a promissory note is signed, a full disclosure of his rights and obligations and Truth in Lending information whenever a loan is made?

REFERENCE: NDSL Interim Regs. - Section 144.41(a) & 144.15(e)

14. Is there evidence that each borrower receives an exit interview prior to leaving the institution?

REFERENCE: NDSL Interim Regs. - Section 144.41(b)

15. Does the exit interview procedure:

(a) Provide the borrower with a detailed explanation of the borrower's rights and obligations?

REFERENCE: NDSL Interim Regs. - Section 144.42(b) & 144.41(a)

(b) Provide the borrower with a copy of the repayment schedule specifying the total amount of the loan and the dates and amounts of installments as they become due?

REFERENCE: NDSL Interim Regs. - Section 144.(b)(1)

16. If a borrower leaves the institution without notice, are there procedures for mailing the borrower a copy of the note and other materials that would have been in the exit interview, and advising the borrower of the repayment schedule?

REFERENCE: NDSL Interim Regs. - Section 144.41(b)(2)

17. Does the institution maintain a written record of the exit interview including a copy of the repayment schedule signed by the borrower?

REFERENCE: NDSL Interim Regs. - Section 144.41(c)

18. Does the institution have procedures for contacting each borrower no less than three times during his 9 month grace period?

Reference: NDSL Interim Regs. - Section 144.42(c)

19. Is there evidence that the institution has established and maintained regular billing and follow-up procedures for the period in which any outstanding balance remains unpaid?

REFERENCE: NDSL Interim Regs. - Section 144.43 & 144.44

COMMENTS: 20. Do the institution's follow-up activities include the use of skip-tracing?

REFERENCE: NDSL Interim Regs. - Section 144.44

21. Is there evidence that if the institution is still unable to obtain payment from the borrower, it:

(a) Utilizes the services of a collection agency; or,

(b) Performs collection activities with its own personnel; or,

(c) Resorts to litigation?

REFERENCE: NDSL Interim Regs. - Section 144.45

22. Does the institution understand that reasonable litigation and collection costs may be charged to the NDSL fund?

REFERENCE: NDSL Interim Regs. - Section 144.46

23. Does the institution understand that is has the responsibility to make decisions relative to cancellation and deferment which may not be delegated to any billing service, collection agency, or other fiscal agent?

REFERENCE: NDSL Interim Regs. - Section 144.47

24. If the institution uses a billing service, does it understand that it cannot use a collection agency owned or controlled by that billing service?

REFERENCE: NDSL Interim Regs. - Section 144.48

25. Does the institution's Basic Grant cost of education reflect the allowable expenses?

REFERENCE: BEOG Regs. - Section 190.51 - (11-06-74 & 08-10-76)

26. Was the appropriate payment schedule or disbursement schedule used by the institution (enrollment status and current year) for the period involved?

REFERENCE: BEOG Regs. - Section 190.75(a)(4)(5) - (08-10-76)

27. Is there a valid Student Eligibility Report (SER) secured prior to disbursment of BEOG funds?

REFERENCE: BEOG Regs. - Section 190.76 - (12-02-74)

COMMENTS: 28. Are the SERs properly completed, dated and signed by the institutional representative?

REFERENCE: BEOG Regs. - Section 190.75(c)(1) - (12-02-74)

29. Were proportional reductions of Basic Grants made where required for part-time students?

REFERENCE: BEOG regs. - Section 190.75(a)(5) - (08-10-76)

30. Were BEOG awards calculated correctly?

REFERENCE: BEOG Regs. - Section 190.64, 190.65, 190.66 - (08-10-76)

31. When the Student's academic year crosses two fiscal years, have two SERs been secured and proper prorations been made?

REFERENCE: BEOG Regs. - Section 190.66 & 190.75(a)(5) - (08-10-76)

32. Are signed receipts obtained each time a BEOG payment is credited to a student's account?

REFERENCE: BEOG Regs. - Section 190.75(e) - (08-10-76)

33. Is the institution's refund policy in writing and BEOG refund policy applied correctly?

REFERENCE: BEOG Regs. - Section 190.78 - (12-02-74)

34. Is information provided to prospective GSL students as to complete description of programs and facilities offered?

REFERENCE: GSL Regs. - Section 177.64

35. For schools offering vocational courses of study is the appropriate information included on employment and salaries and is the student determined to be able to benefit from such study?

REFERENCE: GSL Regs - Section 177.64(a)
Section 177.65

36. Are appropriate records maintained regarding a GSL students academic standing and courses taken?

REFERENCE: GSL Regs. - Section 177.62(b)

37. Is the school's refund policy in writing and applied correctly in conjunction with Guaranteed Student Loans?

REFERENCE: GSL Regs. - Section 177.63

D. Business/Fiscal Section

COMMENTS:

1. SEOG Fund Disbursement:

(a) Is there evidence that the institution's SEOG payments are disbursed in equal amounts corresponding to the number of semesters, trimesters, or quarters in the institution's academic year? or,

(b) If the institution does not use such academic periods, is there evidence that such funds are disbursed at least twice a year with at least half of the payment made after the midpoint of the academic year?

REFERENCE: SEOG Interim Regs. - Section 176.17(a)

2. NDSL Fund Disbursment:

(a) Is there evidence that the Institution's NDSL payments are disbursed in equal amounts corresponding to the number of semesters, trimesters, or quarters in the institution's academic year? or,

(b) If the institution does not use such academic periods, is there evidence that such funds are disbursed at least twice a year with at least half of the payment made after the midpoint of the academic year?

REFERENCE: NDSL Interim Regs. - Section 144.15(a) & (b)

3. BEOG Fund Disbursement:

(a) Is there evidence that the institution's BEOG payments are disbursed in equal amounts at least once at the beginning of each semester, trimester, or quarter in the institution's academic year? or,

(b) If the institution does not use such academic periods, is there evidence that such funds are disbursed in equal amounts at least twice a year, with one payment made at the beginning of the academic year and one payment made at midpoint?

REFERENCE: BEOG Regs. - Section 190.75(b)(1) - (08-10-76)

4. Are loan payments evidenced in the institution's records by cancelled checks or vouchers?

REFERENCE: NDSL Interim Regs. - Section 144.15(d)

COMMENTS:

5. Are CWS payments made by the institution at least once a month?

REFERENCE: CWS NPRM - Section 175.22(a)

6. Is at least the Federal portion of the CWS wages paid by check or similar instrument which may be cashed by the student on his own endorsement without further restriction?

REFERENCE: CWS NPRM - Section 175.22(a)

7. If the institution's CWS share is paid by check, is it disbursed to the student at the same time the Federal share is disbursed?

REFERENCE: CWS NPRM - Section 175.22(b)

8. If the institution's share is in the form of tuition, fees, services, or equipment for an academic period during which the student is employed, is that share contributed prior to the close of the student's final pay period?

REFERENCE: CWS NPRM - Section 175.22(b)

9. If the institution's share is in the form of prepaid tuition, fees, services, or equipment for a forthcoming academic period, does the institution give the student a statement of this share prior to the close of the student's last pay period?

REFERENCE: CWS NPRM - Section 175.22(b)

10. Has the institution established and maintained appropriate general ledger control accounts and related subsidiary accounts necessary for the identity and separation of all transactions involving Federal funds versus institutional assets and activities?

REFERENCE: CWS NPRM - Section 175.29(b)

11. Has the institution:

(a) Included, in the name of any account in which Federal funds are deposited, the fact that Federal funds are deposited therein, or,

(b) Sent a letter to the bank(s) listing the specific accounts in which Federal funds are deposited?

REFERENCE: NDSL Interim Regs. - Section 144.18(a)(2)
SEOG Interim Regs. - Section 176.23(a)(2)
CWS NPRM - Section 175.29(a)(3)(i)(ii)
BEOG Regs. - Section 190.79(a)&(b) - (12-02-74)

COMMENTS:

12. Does the institution have adequate accounting controls to provide a clear audit trail in the SEOG program?

    REFERENCE: Recommended Chart of SEOG Accounts, NACUBO, Accounting, Recording Keeping and Reporting Manual, 1974, p. 17;
    SEOG Interim Regs. - Section 176.23(b)

13. Does the accounting system show that SEOG funds are used only for:

    (a) Payment to students?

    (b) Transfer to CWS?

    (c) Payment of allowable administrative expenses?

    REFERENCE: SEOG Interim Regs. - Section 176.21 & 176.22

14. Does the accounting system differentiate between initial year and continuing year funds?

    REFERENCE: SEOG Interim Regs. - Section 176.23(b)

15. Is the institution aware that direct transfers from the institution's Initial Year award to Continuing Year award (and Vice versa) are not allowed?

    REFERENCE: SEOG Interim Regs. - Section 176.22(a)

16. Does the institution have an adequate system to insure that BEOG, CWS, NDSL, and SEOG expenditures are controlled within the current year's allocation/authorization grant letters?

    REFERENCE: NDSL Interim Regs. - Section 144.18(b)
    SEOG Interim Regs. - Section 176.23(b)
    CWS NPRM - Section 175.29(b)
    BEOG Regs. - Section 190.79 - (12-02-74)

17. Does the institution understand that cash or any expended grant authority in SEOG and CWS remaining at the end of an award period cannot be used to increase the spending authority (grant letter amount) for the subsequent year?

    REFERENCE: SEOG Interim Regs. - Section 176.23(b)(2)
    CWS NPRM - Section 175.29(b)(2)

18. Are there adequate accounting controls at the institution to provide a clear audit trail in the CWS Program?

    REFERENCE: Recommended Chart of CWS Accounts, NACUBO Accounting, Record Keeping and Reporting Manual, 1975, p. 16;
    CWS NPRM - Section 175.29(b)

COMMENTS:

19. Do the institution's accounts show that CWS funds are used only for:

    (a) Payment for the Federal share of compensation to students?

    (b) Transfer to SEOG?

    (c) Payment of allowable administrative expenses?

    (d) Job location and development program?

    REFERENCE: CWS NPRM - Section 175.28(a)

20. Is the appropriate ratio of institutional funds on deposit at the time of each CWS payroll disbursement?

    REFERENCE: CWS NPRM - Section 175.23(a)

21. Is the institutional matching portion (1/9 of Federal share) deposited into the NDSL fund on or before the time that the Federal share is deposited?

    REFERENCE: NDSL Interim Regs. - Section 144.8(a) & (b)(2)

22. Is there sufficient documentation at the institution to support all payroll disbursements?

    REFERENCE: CWS NPRM - Section 175.29(b)(1)

23. If the institution participates in the CWS and/or SEOG programs, is it meeting its Maintenance-of-Level-of-Effort requirements?

    REFERENCE: SEOG Interim Regs. - Section 176.20
    CWS NPRM - Section 175.26

24. Are the following NDSL records maintained at the institution?

    (a) General Journal?

    (b) Cash Receipts Journal?

    (c) Cash Disbursements Journal?

    (d) Cancellation Journal?

    (e) General Ledger?

    (f) Subsidiary Ledger of Student Accounts?

    REFERENCE: NACUBO Accounting, Record Keeping and Reporting Manual,
    NDSL Interim Regs. - Section 144.18(b)(1)

COMMENTS:

25. Are there adequate accounting records in the institution to assure the integrity of the NDSL Fund and to provide a clear audit trail?

REFERENCE: Recommended Chart of NDSL Accounts, NACUBO Accounting, Record Keeping and Reporting Manual,
NDSL Interim Regs. - Section 144.18(b)(1)

26. Is the institution aware that an audit of its campus-based student financial aid programs must be performed not less frequently than once every two years?

REFERENCE: NDSL Interim Regs. - Section 144.18(e)
SEOG Interim Regs. - Section 176.23(d)
CWS NPRM - Section 175.29(d)

27. Has the institution submitted the required reports (fiscal operations report, progress report, student confirmation reports, and DFAF's Quarterly Reports, etc.) on a timely and accurate basis?

REFERENCE: NDSL Interim Regs. - Section 144.18(b)(2)
SEOG Interim Regs. - Section 176.23(b) (2)
CWS NPRM - Section 175.29(b)(2)
BEOG Regs. - Section 190.81 - (12-02-74)
DFAFS Manual, August 1974
GSL Regs. - Section 177.62(c)

28. Has the institution retained all program records for the required minimum of five years?

REFERENCE: NDSL Interim Regs. - Section 144.18(c)
SEOG Interim Regs. - Section 176.23(c)
CWS NPRM - Section 175.29(c)(2)
BEOG - Section 190.84
GSL Regs. - Section 177.62(b)

29. Has the institution maintained all financial aid repayments records on National Direct/Defense Student Loans for at least 5 years beyond the date on which the individual borrower's loan has been completely repaid, cancelled or assigned to the Office of Education?

REFERENCE: NDSL Interim Regs. - Section 144.18(c)(3)

II. Summary of Recommendations and Required Actions:

A. In order to bring the operation of the institution's financial aid program into compliance with regulations or statutes, the following required actions must be taken:

B. The following are recommendations that we believe will improve operations of the campus-based Federally funded student aid programs:

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APPENDIX G

TAXONOMY OF PROGRAM ABUSE

Taxonomy of Program Abuse

The classes of errors listed in this section are not intended to be mutually exclusive. Conceivably, it would be possible for one institution to have errors in each of the classifications. Obviously, a class V situation is more serious than a class II occurrence. The precise point at which any single class goes to the next level is primarily a judgment call exercised by the responsible Program Officer.

I. Exceptions to Good Field Practices:

The institution has not implemented certain good management practices having wide acceptance in the student financial aid community or which have been adopted by professional associations as conducive to responsible administration.

Examples:
- (1) No financial aid committee
- (2) Lack of an annual calendar of financial aid activities
- (3) Financial Aid Office not open throughout the day
- (4) No formal procedures for student grievances

BSFA ACTIONS:

The reviewer should disseminate information, provide recommendations and explain how implementation of these practices can assist the institution in accomplishing its goals and provide for more effective administration. The review report would be a letter confirming the findings and recommendations.

II. Violations of Compliance Requirements:

The institution has failed to take actions that are clearly required by statute or regulations, yet it has the basic data necessary to assure that the students aided were needy, met other eligibility requirements, and that the funds were expended only for allowable purposes.

Examples: (1) Absence of award letters or student acceptance documents

(2) All functions of determining eligibility and disbursing funds are in a single office

(3) Lack of NDSL exit interview procedures

BSFA ACTIONS:

The reviewing office should communicate in the exit interview and by letter the compliance requirements that have been met and receive written assurance of their implementation as a condition of continued participation in the programs.

III. Liability Limited and Determined:

The institution has failed to obtain supporting data, take actions, or made incorrect judgments in the basic areas of student eligibility requirements, appropriate expenditures, or matching requirements, and the failure is (a) limited in scope, (b) precisely determined through a site visit (program review) or other definitive means, and (c) judged to be extraordinary to otherwise generally acceptable procedures.

Examples: (1) Two cases of SEOG awards not meeting the definition of "exceptional financial need" in a review sample of SEOG awards for a year

(2) Absence of needs analysis in 10 percent of reviewed folders

(3) The institution has failed to deposit its institutional share when the last two deposits of Federal Capital Contribution were made to the NDSL funds

(4) In a review of a large number of SEOG awards, two cases were found where the "matching requirements" were short by, for example, $300 in each case due to improper funds being considered as matching

(5) One overaward in the sample of reviewed folders

(6) Ten percent of the sample indicates missing or improperly executed Affidavits of Educational Purpose

(7) Twenty percent or fewer files with missing receipts

BSFA ACTIONS:

The program review report should communicate the extent of the liability to the institution. The recommendations of the reviewing office in situations where the liability is $50,000 or more are subject to the review and approval of the Chief, Program Review Branch (Washington). The draft report should be submitted to the Chief of the Program Review Branch for an expedited response to the issuing Region. Written evidence that the institution has made restitution and implemented policies or procedures to preclude further liability of the type identified should be received within 30 days of the institution's receipt of the report.

IV. Liability Undetermined but Reconcilable:

The institution has failed to obtain data, take action, or has made incorrect judgments in the basic areas of student eligibility requirements, appropriate expenditures, or matching requirements. The failure is of such scope that it cannot be determined with reasonable certainty during a program review but it is judged to be reasonably determinable by additional actions taken by the institution (including requirements for special independent audit reports at the institution's expense).

Examples: (1) Fifty percent of all SEOG awards reviewed did not meet the definition of "exceptional financial need"

(2) Absence of needs analysis in a significant number of the reviewed folders

(3) Overawards in a large number of reviewed folders

(4) Failure to provide any institutional capital deposits to the NDSL fund

(5) More than ten percent of sample indicates missing or improperly executed affidavits

(6) More than twenty percent of sample indicates missing receipts

BSFA ACTIONS:

Subject to the approval of the Chief, Program Review Branch (Washington), the reviewing office may negotiate with the institution to arrive at a mutually acceptable plan for the institution to determine the precise extent of liability and make restitution. Such a plan might include the institution itself reviewing all cases of a certain type to determine liability, or, in a more complex situation, an institutional commitment for a certified audit within a precise time span. The plan must be in writing, contain action steps, have a precise time for implementation and represent a firm institutional commitment to restore determined liabilities.

V. Liability Undetermined and Unreconcilable:

The institution has broad failures to obtain data, take action or has made incorrect judgment in the basic areas of student eligibility requirements, appropriate expenditures, and matching requirements to the extent that they are not likely to be determined without extensive reconstruction and audit work.

Examples:
(1) Absence of any substantial student eligibility documentation in a large percentage of cases
(2) No fiscal ledgers
(3) No traceable expenditure records
(4) Little or no evidence of student receipt of funds

BSFA ACTIONS:

The reviewing office should refer these cases to the Director, Division of Certification and Program Review for further action. Precise documentation, "a bill of particulars," should accompany the referral and the reviewing office may recommend the action it considers appropriate.

VI. Potential Fraud:

The institution is suspected of deferring Federal funds for its own purposes or suspicion exists of intent to deliberately circumvent basic Federal requirements.

BSFA ACTIONS:

The reviewing office should refer these cases to the Director, Division of Certification and Program Review for further action. In general, the reviewing office should submit copies of documents indicating possible fraud whenever possible. The following are examples of circumstances which indicate, or may indicate, fraudulent activity.

(1) Falsification of information and records

(2) Signatures which appear to be forged

(3) Commingling of Federal funds

(4) Records inadequate for review (no audit trail)

(5) No power of attorney (GSL)

(6) Awards to ineligible students or students in ineligible programs

(7) Information secured from students, employers, or reports by other Federal and State agencies

Examples of documents which may assist the further investigations include:

(1) Copies of cancelled checks, or ledger entries of any unauthorized transfer of Federal funds to institutional accounts.

(2) Names of students and social security numbers in cases where there appears to be a pattern of refund liability, or other identifying information in cases where disbursements to non-enrolled or fictitious persons are involved.

(3) Brief and precise description of any weaknesses in fiscal controls where there is suspicion, but not concrete evidence, that federal funds may have been diverted for institutional or personal purposes.

(4) A copy of the institution's current and any previous catalogs.

(5) A copy of the institution's financial aid policy and procedures.

(6) Name of key official(s) at the institution involved in student financial assistance programs.

(7) List of as many students receiving financial assistance through BSFA programs as possible.

(8) Copy of institution's refund policy if not included in institution's catalog.

(9) Complaint letters.

(10) Program review reports and any other reports relevant to the review.

(11) Copy of correspondence between OE and the institution.

APPENDIX H

PROGRAM REVIEW CODES

Appendix A

Program Review Codes

General Program Fraud and Abuse

1301 Custody of Federal Funds *
02 Previous reported corrective action not adopted
03 Violation of conditions of participation by institution
03A Violation of compliance requirements *
04 Violations of conditions of participation by students
04A Violation of compliance requirements *

General Program Regulatory Violations

1308 Administrative expense claim exceeds limit
09 Maintenance of minimum level of effort not met
10 Students charged nonuniform tuition and fees
11 Other regulatory violations or deficiencies
11A Violation of program regulations *

General Program Accounting Deficiencies

1315 Records inadequate for audit
1315A Maintenance of records *
16 Letter of Credit report not reconcilable to other records
17 Cash balances in excess of need
18 Audit disagrees with financial report
19 Subsidiary accounts inadequate
20 Student ledgers inadequately or improperly posted
21 Interprogram transfer improper or excessive
22 Other accounting deficiencies
22A Inaccurate and incomplete information *

General Program Administrative Deficiencies

1323 Written operating procedures not available
24 Written refund policy lacking or not followed
25 Institution not diligent in obtaining refunds
26 Other administrative deficiencies
26A Need to segregate personnel duties *
26B Need additional staff *

General Program Student Records Deficiencies

1330 Student need documentation inadequate
31 Affidavit of educational purpose not on file
32 Other student records incomplete or missing

General Program Award Processing Deficiencies

1336 Awards to ineligible students
37 Awards to students in ineligible programs
38 Awards miscalculated

39 Awards made for less than program minimum
40 Awards exceed program maximum
41 Other awarding deficiencies

SEOG Specific Deficiencies

1401 Awards not sufficiently matched
02 Signed acknowledgement of award not on file
03 Direct transfer of funds between Iy - Cy or Cy - Iy
04 Other SEOG deficiencies *

CWS Specific Deficiencies

1406 Federal share of compensation exceeds 80%
07 Institutional 20 percent untimely or not provided
08 Federal share of earnings not paid by check
09 Students work over 40 hours per week
10 Students employed by ineligible agency
11 Records not available to support wages paid
12 Other CWS deficiencies *

NDSL Specific Deficiencies

1415 Delinquency rate excessive
16 Collection procedures inadequate
17 Interest computations erroneous
18 Cancellation inadequately documented
19 Institution Capital contribution untimely or not provided
20 Promissory notes incomplete or absent
21 Promissory notes not properly safeguarded
22 Sum of loans exceed allowable maximum
23 Loans exceeds maximum limits during first two years
24 Loans made to nursing students
25 Other NDSL deficiencies *

BEOG Specific Deficiencies

1428 Awards not paid in at least two equal payments
29 Award credited to student without signed receipts
30 SER data not verified with other student data
31 Other BEOG deficiencies *

GSLP Specific Deficiencies

1435 Loans disbursed prior to commitment
36 Loans disbursed to "no shows" after 90 days
37 Loans made or disbursed without due diligence
38 Interest charged to government excessive
39 Sale or transfer of ineligible/uninsurable loans

-APPENDIX I

TRAINING MATERIALS DEVELOPED BY REGION IV

ARRANGING A TRAINING SESSION

I. A. Define the audience. Segregate by length of experience with program, proficiency, specialized needs, etc. All levels of competing should not, as a rule, be combined unless they are all being trained on something new, or until the persons who are new to the programs have reached a level of proficiency which enables them to benefit from the experience (and degressions) of the old-timers.

B. Define and outline the subject. Narrow topic to those aspects which are important. Deal with them in detail and with specificity.

C. Allocate time. Set blocks of time for the individual topics to be covered. Be sure that adequate time has been allowed to thoroughly cover the material without rushing through it, and to provide adequate time for questions and answers.

D. Design training aids. Use handouts, visuals, flip charts, test cases for audience participation, etc., to stimulate and reinforce learning.

E. If a training assessment instrument is used, testing should be directly related to the training presented and the time frame for testing should be manageable. If extensive testing is considered necessary, it should be done in segments, for instance, on a daily basis.

II. A. Arrange meeting site

1. Dates

2. Time

3. Location

a. Building

b. Room number

B. Make any equipment and seating arrangements

1. Type of seating arrangement - classroom, etc.

2. Equipment

a. Tables, chairs for speaker(s)

b. Microphone (standing, handheld, etc.)

c. Lecturn (standing, tabletop)

d. Overhead projector

e. Screen (specify size)

f. Blackboard,(chalk & eraser)

g. Slide or movie projector

h. Other

C. Confirm details in writing with individual in charge of arrangements.

D. Prepare memorandum, letter, etc. to be sent to participants.

Include:

1. Purpose of meeting
2. Dates
3. Location, including room numbers, if applicable
4. Any materials participants should bring
    a. Forms, etc.
    b. Regulations, etc.
    c. Hand Calculators
    d. Other
5. Any information concerning, transportation, lodging, activities, etc. that would be helpful to participant.

III. A. Make lodging arrangements

1. Tentatively reserve estimated number of rooms.
2. Make written or verbal contacts with participants.
    a. If possible, send reservation cards to participants
    b. if not, request each participant to provide information pertaining to:
        1. Name
        2. Address
        3. Type of room (single, double, etc.)
        4. Date and time of arrival at lodgings
        5. Length of stay

3. If reservation cards are not used, submit typed list containing names, etc. or other information that hotel requests.
4. Make any arrangements for "get acquainted" hospitality hour. Specify:
    - a. Cost - what is included
    - b. Time
    - c. Location
    - d. Table or seating arrangements
5. Confirm in writing to hotel, etc. all arrangements made and any dollar amounts involved.

IV. If place of lodging is to be used as meeting site:

A. Confirm all arrangements in writing to the hotel.

B. Obtain the names and phone numbers of appropriate hotel personnel who deal with different aspects of the arrangements.

C. Make arrangements to transport any necessary material or equipment to site.

D. Find out what facilities are available for reproducing material if any emergency arises.

E. Follow up at intervals prior to the meeting to assure arrangements are progressing satisfactorily.

F. On day prior to meeting, follow up one last time to assure that arrangements are in order, meeting room is being (or has been) set up, equipment is available, location and time are posted, etc.

I. INTRODUCTION - WELCOME

SECRETARY OF HEW WILL BE SENDING A LETTER TO PRESIDENTS EXPRESSING CONCERN OVER THE DEFAULT RATES, SEEKING ATTENTION TO DUE DILIGENCE, AND OUTLINING OE OPTIONS IF HIGH RATE CONTINUES AND DUE DILIGENCE IS NOT BEING IMPLEMENTED.

II. FORM 553 AND PROCEDURES FOR RETURNING DEFAULTED NOTES

1. OVERVIEW
    - A. PART OF EDUCATION AMENDMENTS OF 1972
    - B. ASSIGNMENT IS OPTIONAL
    - C. WITHOUT RECOMPENSE - LOOSE 10% ✓
    - D. LEGAL QUESTION OF TURNING STATE ASSETS OVER TO FEDERAL GOVERNMENT
    - E. CAN NOT BE REASSIGNED BACK TO THE INSTITUTION
    - F. ASSIGNMENT REQUIRES ACCEPTANCE - NOT JUST SENDING - NON ACCEPTED ARE RETURNED.
2. REQUISITES FOR ASSIGNMENTS
    - A. DEFAULT FOR TWO YEARS - DEFINE DEFAULT
    - B. VALID NOTE - PROPER NOTE FORM - PROPER SIGNATURES
    - C. VALUE GIVEN (MONIES ACTUALLY ADVANCED)
    - D. DUE DILIGENCE PERFORMED
3. THE FORM PER SE'
    - A. NOTE THAT EACH LINE IS DEFINED, E.G., DEFAULT DATE IS DAY AFTER PAYMENT WAS DUE AND NOT MADE
    - B. USE ONLY ONE LINE FOR EACH LOAN THAT CONSTITUTES A SINGLE REPAYMENT SCHEDULE - NOT INDIVIDUAL ADVANCES
    - C. SIGNATURE
        1. LEGALLY AUTHORIZED TO RETURN NOTE
        2. ATTESTS TO REQUIRED "BILLING ACTIVITIES"

4. ATTACHMENTS TO THIS FORM
    A. VALID ORIGINAL NOTE OR CERTIFIED TRUE COPY - SIGNED BY BORROWER
    B. PROOF OF DISBURSEMENT
        1. COPY OF CANCELLED CHECK(S), OR
        2. CREDIT TO ACCOUNT
    C. EXIT INTERVIEW FORM
    D. REPAYMENT SCHEDULE
    E. STUDENT LOAN LEDGER
        - ADVANCES, REPAYMENTS, CANCELLATIONS, ETC.
    F. DOCUMENTATION OF ANY OF ITEMS 1, 2, OR 3 (COLLECTION ACTIVITIES) CHECKED ON THE FORM - IF NOT CHECKED, MUST COMPLETE "GRID" ON 553

III. THE DEFAULT RATE (READ DEFINITION PAPER) page 7

1. THE FORMULA

$$\frac{\text{DEFAULTED AMOUNT} \checkmark}{\text{MATURED PAPER} \checkmark} = \text{DEFAULT RATE}$$

2. DEFINITIONS
    A. DEFAULTED AMOUNT FROM REPORT OF DEFAULTED LOANS AS OF JUNE 30 (OE 574)
        1. THIS IS ALL UNPAID PRINCIPAL ON LOANS PAST DUE BY 120 OR MORE DAYS IF ON MONTHLY BILLING OR 180 OR MORE IS ON ANY OTHER BILLING CYCLE.
        2. IT IS NOT JUST THE AMOUNT THAT WOULD HAVE BEEN PAID HAD THE PAYMENTS BEEN MADE ON TIME.
        3. THIS IS LIKE AN ACCELERATION OF THESE DEFAULTED ACCOUNTS IN ORDER TO DETERMINE DEFAULTED AMOUNTS.
        4. SOME HAVE CALLED IT POTENTIAL DEFAULTED AMOUNTS.

B. LOOK AT CLEMSON'S REPORT AND DETERMINE DEFAULTED AMOUNT

TOTAL COLUMN B'S LESS TOTAL COLUMN C'S Page 9

C. MATURED PAPER

1. ALL LOANS THAT WERE EVER MADE THAT HAVE REACHED REPAYMENT STATUS.
2. ANOTHER WAY TO SAY IT IS, ALL LOANS ADVANCED LESS STUDENT STATUS AND GRACE PERIOD.
3. LOOK AT CLEMSON AND DETERMINE MATURED PAPER. page 8

D. CALCULATE CLEMSON'S DEFAULT RATE

$$\frac{\$31,328 \checkmark}{\$850,957} = 3.68\%$$

E. DO ANOTHER SAMPLE CALCULATION USING WESTERN KENTUCKY UNIVERSITY

$$\frac{\$183,722 \text{ Page 11}}{\$5,877,092 \text{ Page 10}} = 3.1\%$$

F. HAVE PARTICIPANTS CALCULATE THEIR INSTITUTION'S DEFAULT RATE

SEOG

1. An eligible student may receive an aggregate amount of SEOG funds of:

   (a) $4,000 for four academic years
   (b) $5,000 for five academic years in an approved program which takes five years to complete
   (c) $5,000 for five academic years because the student was determined to need an additional year of remedial programs
   (d) (a) and (c)
   (e) All of the above

2. A student has an educational cost of $4,000. The student's computed family contribution is $2,000.

   A. Does the student meet the definition of exceptional financial need?

      (1) Yes
      (2) No

   B. If so, what is the maximum amount of SEOG the student can receive for the academic year?

      (1) $200
      (2) $1,000
      (3) $1,500

3. An institution has expended its Initial Year SEOG funds. Although it has firm commitments for all of its College Work-Study funds, it does have funds remaining in Continuing Year SEOG which are available. The institution transfers funds into Initial Year SEOG.

   A. Is it possible for the institution to do this legally?

      (1) No
      (2) Yes

   B. If so, how may the institution accomplish this?

      (1) Transfer up to 10% of Continuing Year funds directly to Initial Year
      (2) Transfer up to 10% of SEOG funds from Continuing Year SEOG to CWS and up to 10% of CWS funds to Initial Year SEOG.
      (3) Transfer the needed funds from NDSL to Initial Year SEOG.

4. A student is awarded a $750 SEOG for an academic period. The institution operates on the quarter system. The institution must disburse the award to the student in

   (a) one payment at the beginning of the academic period
   (b) two payments; one at the beginning of the academic period, and one at the midpoint
   (c) at least three payments, which correspond to the three quarters of the academic year.

5. The minimum SEOG award a student may receive for an academic year is $200. Therefore, if a student is only enrolled for one semester the financial aid officer may not make a SEOG award of $100.

   (a) True
   (b) False

6. An institution has a fall and a spring session , each of 12 weeks duration, and a mini-session in the winter of 4 weeks duration. A student at this institution receives a SEOG of $700. The financial aid officer makes three disbursements to the student - $300, $100, $300. These disbursements are made to correspond to the three enrollment periods. The aid officer has made the disbursements correctly.

   (a) True
   (b) False

7. The fiscal office is not required to account for Initial Year and Continuing Year SEOG funds separately, it is the responsibility of the financial aid officer to assure that neither of the allocations is over-expended.

   (a) True
   (b) False

S E O G ANSWERS

1. (e)

2. A. (1)
   B. (2)

3. A. (2)
   B. (2)

4. (c)

5. (a)

6. (a)

7. (b)

COLLEGE WORK-STUDY

1. In awarding College Work-Study funds, if an institution does not have sufficient funds to cover all requests, it must award to those students with:

   (a) exceptional financial need
   (b) the greatest financial need
   (c) financial need

2. A. For private institutions the minimum wage rate effective 1/1/78 was

   (1) $2.30
   (2) $2.65
   (3) $2.80

   B. For public institutions the minimum wage rate is

   (1) $2.30 until July 1, 1978
   (2) $2.65
   (3) $2.80

3. In determining the number of hours a student may work on CWS, the institution must consider

   (a) the extent of the student's financial need
   (b) the potential harm of a particular combination of hours of work and study on a student's health
   (c) the potential harm of a particular combination of hours of work and study on a student's academic progress
   (d) (b) and (c)
   (e) all of the above

4. A student has a College Work-Study job during the summer when he is not enrolled in classes. His gross income for the summer is $1,600. Because he lives at home and can walk to work his costs incident to employment are very low. Under the CWS program his costs incident to employment are deemed to be:

   (a) $200
   (b) $300
   (c) $320

5. A student has a College Work-Study job during the summer when she is not enrolled in classes. Her gross income for the summer is $1,400. Her job is located in another town from where her family lives and her living expenses are about $700. Under the CWS program her costs incident to employment are deemed to be:

   (a) $400
   (b) $600
   (c) $560

6. The following may not be charged to the CWS Federal share:

   (a) Compensation which results from working more than 40 hours a week
   (b) Fringe benefits such as paid sick leave, vacation pay, and holiday pay
   (c) The employer's contribution to Social Security, workmen's compensation, or retirement.
   (d) None of the above
   (e) All of the above

7. A student has a need of $3,700. He was awarded $3,300. In March the student informs the financial aid officer that he has another job off campus and will earn $700 before the end of the academic year, but he still wants to work on his College Work-Study job too. The aid officer tells him he may continue to work.

   A. By the end of the academic year, the student will have an overaward of:
      (1) $300
      (2) $700
      (3) $500

   B. In this particular situation the allowable overaward is
      (1) $100
      (2) $200
      (3) There is no limit on the amount the student may receive

8. Except in circumstances of documented high need, a student on CWS typically may not work more than the following average number of hours per week during the time the classes he/she is enrolled in are in session:

   (a) 15
   (b) 20
   (c) 40

9. After the Student Consumer Information requirements have been met, an institution may use any remaining funds of the 4% payment in lieu of reimbursement for administrative expenses for administration of the Title IV programs.

   A. Under the CWS program, this payment is computed on the basis of

      (1) the total CWS allocation
      (2) CWS funds awarded to students
      (3) the gross CWS compensation to students

   B. The institution may charge this payment to:

      (1) the Federal portion of CWS funds
      (2) the CWS funds after they have been matched with the 20% institutional funds
      (3) the NDSL fund

CWS ANSWERS

1. (b)
2. A. (2)
   B. (1)
3. (e)
4. (b)
5. (c)
6. (e)
7. A. (1)
   B. (2)
8. (b)
9. A. (3)
   B. (1)

NDSL

1. The institution ended the fiscal year without sufficient cash in the NDSL Fund to withdraw the 4% administrative allowance. The institution may withdraw any administrative allowance earned in this fiscal year out of funds for the next fiscal year

   (a) Yes, provided they are withdrawn during the first 30 days
   (b) No, not under any circumstance
   (c) Yes
   (d) Yes, provided it is reflected on the DFAFS 27 report

2. On June 30 an institution has $100,000 in its NDSL Fund. It must

   (a) remit this to the Treasury within 30 days
   (b) request permission to carry it into the next fiscal year
   (c) transfer it to CWS or SEOG
   (d) none of the above

3. The established level of lending in NDSL is

   (a) a reasonable expectation of the dollar amount of loans which can be advanced in a program year
   (b) is subject to fluctuations of the state percentages
   (c) is established in the application process and is not reduced by state percentages

4. If an institution uses an open-end NDSL promissory note form, a copy of the note must be provided to the borrower

   (a) annually
   (b) semi-annually
   (c) when the borrower leaves the institution or is no longer at least a half-time student

5. If an institution exercises the $30 minimum monthly repayment option, and the borrower pays $30 a month, this payment covers

   (a) principal and interest
   (b) principal only
   (c) interest only

6. If a borrower has received a Defense and a Direct Loan from two different institutions totalling $3,000 and each institution includes the minimum monthly repayment option in its note form and it is applicable to this borrower, the borrower must make total monthly payments of

   (a) $15
   (b) $30
   (c) $45

7. If a borrower has had his loan discharged in bankruptcy and subsequently makes a payment, the loan is

   (a) automatically reaffirmed
   (b) not reaffirmed
   (c) reaffirmation varies according to state law

8. The following cancellation provisions apply to the National Direct Student Loan program: (May select more than one.)

   (a) 10 % for full-time teaching in a public or other non-profit elementary or secondary institution, up to 50% of the loan
   (b) 15%, 15%, 20%, 20%, 30% for full-time teaching of the handicapped in a public or non-profit elementary or secondary school system, up to 100 % of the loan
   (c) 15% as a full-time staff member in a Head-Start Program, provided the salary meets comparability requirements, up to 100% of the loan
   (d) 12½% for service in the Armed Forces on active duty in the United States, up to 50% of the loan

9. The following cancellation provisions apply to the National Defense Student Loan program: (May select more than one.)

   (a) 10% for full-time teaching in a public or other non-profit elementary or secondary institution, up to 50% of the loan
   (b) 15% for full-time teaching in a low-income school listed in the Federal Register, up to 100% of the loan
   (c) 15% for full-time teaching of the handicapped in a public or non-profit elementary or secondary institution, up to 100% of the loan
   (d) 15% as a full-time staff member in a Head-Start program provided the salary meets comparability requirements, up to 100% of the loan

10. A borrower has received his first baccalaureate degree and wishes to pursue a terminal occupational curriculum of less than two years. He has never received NDSL funds. He may receive

    (a) up to $2,500
    (b) up to $5,000
    (c) up to $10,000

11. When a borrower makes a payment on his loan, the payment is first applied against

    (a) any interest
    (b) the outstanding principal
    (c) any delinquent principal

NDSL ANSWERS

1. (c)
2. (d)
3. (c)
4. (c)
5. (a)
6. (b)
7. (c)
8. (b) (c)
9. (a) (b) (c)
10. (a)
11. (a)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFAR
OFFICE OF EDUCATION March, 1977
STUDENT FINANCIAL AID BRANCH *REGION IV*

INSTITUTIONAL EVALUATION GUIDE

This guide is designed to serve both as a training document and a means for institutional officials to evaluate their own operations on the college-based student financial aid programs. It is not intended to be exhaustive of all requirements, but does provide a basic listing and cites regulatory references for any additional research.

YES NO N/A

___ ___ ___ 1. Does your institution have written policies on the administration of the programs?

Reference: Good field practice and evidence of administrative capability.

___ ___ ___ 2. Does your institution have a financial aid committee?

Reference: Good field practice

___ ___ ___ 3. Does your institution have written priorities established in selecting students to receive aid?

Reference: NDSL Interim Regs.-Section 144.9 (e)
CWS Regs.-Section 175.9 (f)

___ ___ ___ 4. Does your institution have current student budgets?

Reference: NDSL Interim Regs.-Section 144.11
SEOG Interim Regs.-Section 176.11
CWS Regs.-Section 175.11

___ ___ ___ 5. Are data available to support these budgets?

Reference: Evidence of Administrative capability

___ ___ ___ 6. (a) Are major functional responsibilities (Program/Fiscal) divided so that a single individual does not bear sole responsibility for the entire administration of the programs?

___ ___ ___ (b) Are the functions of authorizing funds and disbursing funds divided in such a fashion that no office has responsibility for both functions with respect to any particular student aided?

Reference: NDSL Interim Regs.-Section 144.18 (a)
SEOG Interim Regs.-Section 176.23 (a)
CWS Regs.-Section 175.28 (a)

YES NO N/A

___ ___ ___ 7. Does the institution provide for coordination of the college-based program with other Federal and non-Federal programs?

Reference: NDSL Interim Regs.-Section 144.14(a)
SEOG Interim Regs.-Section 176.14(a)
CWS Regs.-Section 175.14(a)

___ ___ ___ 8. Does the institution take into consideration the amount of BEOG a student is entitled to receive, whether he has applied for a BEOG or not, when making an award of college-based funds?

Reference: NDSL Interim Regs.-Section 144.14(c)
SEOG Interim Regs.-Section 176.14(c)
CWS Regs.-Section 175.14(c)

___ ___ ___ 9. (a) Is there a systematic method by which the FAO furnishes aid recipient lists, and any adjustments, to the Fiscal Office?

___ ___ ___ (b) Is the student financial aid office notified when a student withdraws or drops courses?

Reference: NDSL Interim Regs.-Section 144.9 (a) 4
SEOG Interim Regs.-Section 176.9(a) 2
CWS Regs.-Section 175.9(a) 2
NDSL Interim Regs.-Section 144.14(b)
SEOG Interim Regs.-Section 176.14(b)
CWS Regs.-Section 175.14(b)

___ ___ ___ 10. (a) Is there adequate professional staff in the financial aid office?

___ ___ ___ (b) Is there adequate secretarial staff in the financial aid office?

Reference: NDSL Interim Regs.-Section 144.6(h)
SEOG Interim Regs.-Section 176.6(h)
CWS Regs.-Section 175.6(g)

11. Are administrative files up-to-date and containing:

___ ___ ___ (a) Institution's copy of Terms of Agreement?

___ ___ ___ (b) Administrative Memoranda?

___ ___ ___ (c) NDSL Manual (1967)?

YES NO N/A

___ ___ ___ (d) Clear data which shows an accurate budget for the student?

Reference: NDSL Interim Regs.-Section 144.11
SEOG Interim Regs.-Section 176.11
CWS Regs.-Section 175.11

___ ___ ___ (e) and readily allows a determination of resources and student's need?

Reference: NDSL Interim Regs.-Section 144.12
and 144.14(b)
SEOG Interim Regs.-Section 176.12
and 176.14(b)
CWS Regs.-Section 175.12
and 175.14(b)

___ ___ ___ (f) Written documentation if any changes have been made in the family resources and/or the student's computed need?

Reference: NDSL Interim Regs.-Section 144.12
SEOG Interim Regs.-Section 176.12
and 176.9(c)(2) and (3)
CWS Regs.-Section 175.12

___ ___ ___ (g) An award letter?

___ ___ ___ 1. listing all college-based aid awarded?

___ ___ ___ 2. signed by the financial aid officer?

Reference: NDSL Interim Regs.-Section 144.18(b)
SEOG Interim Regs.-Sec. 176.17(b) & 176.23(b)
CWS Regs.-Section 175.21(c)
and 175.28(viii) and (ix)

___ ___ ___ (h) An acceptance signed by the student?

Reference: NDSL - recommended administrative procedure
SEOG Interim Regs.-Section 176.17(b)
CWS Regs.-Section 175.21(c)

___ ___ ___ (i) A notarized Affidavit of Educational Purpose?

Reference: NDSL Interim Regs.-Section 144.9(f)
SEOG Interim Regs.-Section 176.9(e)
CWS Regs,-Section 175.9(g)

YES	NO	N/A	
			(d) CWS Manual (1968)?
			(e) EOG Manual (1971)?
			(f) Institutional Applications for funds?
			(g) Program allocation letters?
			(h) Program Reports?
			(i) Laws, including the Educational Amendments of 1976 (11-29-76), published in Federal Registe
			(j) Regulations: NDSL Interim Regulations (11-24-76
			SEOG Interim Regulations (11-24-76
			CWS Regulations (9-1-76)?
			Reference: Evidence of administrative capability
			12. Does each student folder contain the following documentation?
			(a) Financial Aid Application?
			1. Proof of Citizenship?
			2. Information on any prior aid received at another institution?
			Reference: (a) (1) NDSL Interim Regs.-Sec. 144.9(a)(1) SEOG Interim Regs.-Sec. 176.9(a)(1) CWS Regs.-Sec. 175.9(a)(1) (2) NDSL Interim Regs.-Sec. 144.31 SEOG Interim Regs.-Sec. 176.16(d)
			(b) Completed, signed and dated parents'/student's financial statement?
			Reference: NDSL Interim Regs.-Section 144.12 SEOG Interim Regs.-Section 176.12 CWS Regs.-Section 175.12
			(c) Computed need analysis (of system(s) approved for use by your institution in the Terms of Agreement)?
			Reference: NDSL Interim Regs.-Section 144.13 and 144.18(b)(1) SEOG Interim Regs.-Section 176.13 and 176.23(b) CWS Regs.-Section 175.13 and 175.28(b)(viii)

YES NO N/A

___ ___ ___ (j) Appropriate certification or documentation of student's independence (in addition to checked boxes on financial statement) where the student's age makes such status questionable?

Reference: Good field practice

13. Are student's awards packaged so that:

___ ___ ___ (a) No student's total aid awarded exceeds his need?

Reference: NDSL Interim Regs.-Section 144.14(b)
SEOG Interim Regs.-Section 176.14(b)
CWS Regs.-Section 175.14(b)

___ ___ ___ (b) NDSL awards do not exceed maximum limits?

Reference: NDSL Interim Regs.-Section 144.31

___ ___ ___ (c) No SEOG award is less than $200 or greater than $1,500 for an academic year?

Reference: SEOG Interim Regs.-Section 176.16 (a)

___ ___ ___ (d) SEOG awards do not exceed maximum limits?

Reference: SEOG Interim Regs.-Section 176.16(d)

___ ___ ___ (e) A student receiving an SEOG award meets the definition of "exceptional financial need"?

Reference: SEOG Interim Regs.-Section 176.9(a)(4) and 176.9(c)(1) and (2)

___ ___ ___ (f) An SEOG award is appropriately matched with other aid?

Reference: SEOG Interim Regs.-Section 176.16(a)(b) & (e)

___ ___ ___ 14. Are written job descriptions available on the CWS positions?

Reference: Good field practice to support requirements of CWS Regs.-Section 175.16

YES NO N/A

___ ___ ___ 15. Are job categories appropriate - Religious, political and displacement provisos satisfied?

Reference: CWS Regs.-Section 175.16

___ ___ ___ 16. (a) Is there a current written agreement on file for each off-campus agency participating in the CWS program?

___ ___ ___ (b) Are the agreements properly executed?

___ ___ ___ (c) Are the agreements dated?

___ ___ ___ (d) Do the agreements meet the requirements set forth in Appendix B of the CWS regulations?

Reference: CWS Regs.-Section 175.16(c)(1) Appendix

___ ___ ___ 17. (a) As of January 1, 1977, is your institution paying a minimum wage to CWS students of $2.30 an hour?

___ ___ ___ (b) If less, and if your institution is a private institution, do you have current approval from the Department of Labor, Wage and Hour Division, to pay subminimum wages?

___ ___ ___ (c) If less, and if your institution is a public institution, do you: (1) Have approval which was effective on June 24, 1976,...from Wage and Hour Division to pay subminimum wages even though Wage and Hour no longer makes this determination for public institutions? or (2) Have you requested approval from the Commissioner to pay subminimum

___ ___ ___ wages?

Reference: CWS Regs.-Section 175.18

___ ___ ___ 18. (a) Does your institution have a written system for controlling CWS expenditures within the student's award?

___ ___ ___ (b) Is the system posted on a current basis?

Reference: CWS Regs.-Section 175.28(b)(ii)

YES NO N/A

___ ___ ___ 19. (a) Do all CWS students work not more than an average of 20 hours per week (excluding summer 40-hour week CWSP employment)?

___ ___ ___ (b) If some CWS students are working in excess of an average of 20 hours per week, but not more than 40 hours per week, do you have written documentation that the student's financial need remains so great it cannot be met from a job of 20 hours per week?

___ ___ ___ (c) If students are employed beyond these limitations, are the excess hours paid solely from other than Federa funds?

___ ___ ___ (d) Are such funds taken into account in determining the resources of the student?

Reference: CWS Regs.-Section 175.19

___ ___ ___ 20. (a) If a student works on CWS during a summer period, or other period during which he is not enrolled, are costs incident to his employment considered to be 20 percent of the student's gross earnings or $200, whichever is less?

___ ___ ___ (b) Is there written documentation in the student's file if costs incident to employment exceed $200 or 20 percent and in no case do they exceed $400 or 40 percent?

Reference: CWS Regs.-Section 175.20

___ ___ ___ 21. (a) Are CWS time cards submitted at least monthly?

___ ___ ___ (b) Does the time card contain a certification by the student's supervisor stating that the student has worked the number of hours listed?

___ ___ ___ (c) Does the time card contain a certification by the student's supervisor of whether the work has been performed in a satisfactory manner?

Reference: CWS Regs.-Section 175.28(b)(iii)

___ ___ ___ 22. Are appropriate files and records protected against fire and theft?

Reference: NDSL Interim Regs.-Section 144.18(g)

YES NO N/A

___ ___ ___ 23. Does your institution use the appropriate National Direct Student Loan promissory note form?

Reference: NDSL Interim Regs.-Section 144.32
and Appendix B

___ ___ ___ 24. Does your institution provide to the borrower, not later than the time he signs his promissory note, a full disclosure of his rights and obligations?

Reference: NDSL Interim Regs.-Section 144.41(a)

___ ___ ___ 25. Does your institution conduct an exit interview with each borrower prior to his leaving the institution?

Reference: NDSL Interim Regs.-Section 144.41(b)

26. Does this exit interview

___ ___ ___ (a) Provide the borrower with a detailed explanation of his rights and obligations?

Reference: NDSL Interim Regs.-Section 144.42(b)

___ ___ ___ (b) Provide the borrower with a copy of his repayment schedule specifying the total amount of the loan and the dates and amounts of installments as they become due?

Reference: NDSL Interim Regs.-Section 144.41(b)(1)

___ ___ ___ 27. If a borrower leaves your institution without notice are there procedures for mailing the borrower a copy of his note and advising him of his repayment schedule?

Reference: NDSL Interim Regs.-Section 144.41(b)(2)

___ ___ ___ 28. Does your institution maintain a written record of the exit interview including a copy of the repayment schedule signed by the borrower?

Reference: NDSL Interim Regs.-Section 144.41(c)

YES NO N/A

___ ___ ___ 29. Does your institution have procedures for contacting each borrower no less than three times during his 9 month grace period?

Reference: NDSL Interim Regs.-Section 144.42(c)

___ ___ ___ 30. Has your institution established and maintained regular billing and follow-up procedures for the period in which any outstanding balance remains unpaid?

Reference: NDSL Interim Regs.-Section 144.43

___ ___ ___ 31. Do these follow-up activities include the use of skip-tracing?

Reference: NDSL Interim Regs.-Section 144.44

___ ___ ___ 32. If your institution is still unable to obtain payment from the borrower does it:

___ ___ ___ (a) utilize the services of a collection agency?

(b) or perform collection activities with its own personnel?

___ ___ ___ (c) or resort to litigation?

Reference: NDSL Interim Regs.-Section 144.45

___ ___ ___ 33. Does your institution understand what litigation and collection costs may be charged to the NDSL fund?

___ ___ ___

Reference: NDSL Interim Regs.-Section 144.46

___ ___ ___ 34. Does your institution understand that the responsibility of the institution to make determinations relative to the making and collection of loans and decisions relative to cancellation and deferment may not be delegated to a billing service, collection agency, or other fiscal agent?

___ ___ ___

Reference: NDSL Interim Regs.-Section 144.47

YES NO N/A

___ ___ ___ 35. If your institution uses a billing service, does it understand that it cannot use a collection agency owned or controlled by that billing service?

Reference: NDSL Interim Regs.-Section 144.48

___ ___ ___ 36. (a) Do your institution's SEOG payment periods correspond to the number of semesters, trimesters, or quarters in the institution's academic year, if the institution uses such academic periods?

___ ___ ___ (b) If your institution does not use such academic periods, are funds disbursed at least twice a year with at least half of the payment made after the midpoint of the academic year?

___ ___ ___ (c) Are the amounts paid made on a ratio basis?

Reference: SEOG Interim Regs.-Section 176.17(a)

___ ___ ___ 37. (a) Are NDSL's advanced by your institution in equal installments in each semester, trimester, or quarter, if the institution uses such academic periods?

___ ___ ___ (b) If your institution does not use such academic periods, are loans advanced at least twice per academic year with the second advance made at the midpoint of that academic year?

Reference: NDSL Interim Regs.-Section 144.15(a)

___ ___ ___ 38. Are loan payments evidenced in your institution's records by cancelled checks or vouchers?

Reference: NDSL Interim Regs.-Section 144.15(d)

___ ___ ___ 39. Are CWS payments made at least once a month?

Reference: CWS Regs.-Section 175.21(a)

___ ___ ___ 40. Is the Federal portion paid by check or similar instrument which may be cashed by the student on his own endorsement without further restriction?

Reference: CWS Regs.-Section 175.21(a)

YES NO N/A

___ ___ ___ 41. If your institution's share is paid by check, is it disbursed to the student at the same time the Federal share is disbursed?

Reference: CWS Regs.-Section 175.21(b)

___ ___ ___ 42. If your institution's share is in the form of tuition, fees, services, or equipment for an academic period during which the student is employed, is that share contributed prior to the close of the student's final pay period?

Reference: CWS Regs.-Section 175.21 (b)

___ ___ ___ 43. If your institution's share is in the form of prepaid tuition, fees, services, or equipment for a forthcoming academic period, does the institution give the student a statement of this share prior to the close of the student's last pay period?

Reference: CWS Regs.-Section 175.21(b)

44. Although not required by regulations, are any of the following Federal cash accounts in bank accounts physically separated from the institution's internal bank accounts?

___ ___ ___ (a) DFAFS

___ ___ ___ (b) SEOG

___ ___ ___ (c) CWS

___ ___ ___ (d) NDSL

Reference: Good field practice suggests that at least the DFAFS and NDSL Fund be in bank accounts physically separated from the institution's other transactions to insure the integrity of the Federal funds.

___ ___ ___ 45. (a) Has your institution included in the name of any account in which Federal funds are deposited the fact that Federal funds are deposited therein, or

___ ___ ___ (b) sent a letter to the bank(s) listing the accounts in which Federal funds are deposited.

Reference: NDSL Interim Regs.-Section 144.18(2)
SEOG Interim Regs.-Section 176.23(2)
CWS Regs.-Section 175.28(3)

YES NO N/A

___ ___ ___ 46. Are there adequate accounting controls to provide a clear audit trail in the SEOG program?

Indicate with an "X" the accounts that your institution uses:

___ (a) SEOG Cash

___ (b) Transfer from DFAFS - Initial Grants

___ (c) Transfer from DFAFS - Continuing Grants

___ (d) Transfer from DFAFS - Administrative Expenses

___ (e) Initial Grants Paid

___ (f) Continuing Grants Paid

___ (g) Administrative Expenses Paid to Institution

Reference: Recommended Chart of SEOG Accounts, NACUBO, Accounting, Record Keeping and Reporting manual, 1974, p. 17; SEOG Interim Regs.-Section 176.23(b)

47. Do accounts show SEOG funds are used only for

___ ___ ___ (a) payment to students?

___ ___ ___ (b) transfer to CWS

___ ___ ___ (c) payment of allowable administrative expenses?

Reference: SEOG Regs.-Section 176.22 and 176.21

___ ___ ___ 48. Do the accounts differentiate between Initial and Continuing Year Funds?

Reference - SEOG Regs.-Section 176.23(b)

___ ___ ___ 49. Is your institution aware that direct transfers from the institution's Initial Year award to Continuing Year award (and vice versa) are not allowed?

Reference: SEOG Regs.-Section 176.22

YES NO N/A

___ ___ ___ 50. Does the institution maintain subsidiary "unexpended" grant authorization" accounts or other comparable accounts which assure that the allocation of Initial Year and Continuing Year funds are not over-expended?

Reference: SEOG Interim Regs.-Section 176.23(b)

___ ___ ___ 51 Are there adequate accounting controls to provide a clear audit trail in the CWS Program?

Indicate with an "X" the accounts that your institution uses:

___ (a) CWS Cash

___ (b) Federal Income Taxes Withheld

___ (c) State Income Taxes Withheld

___ (d) Social Security Taxes Withheld

___ (e) Other withholding

___ (f) Accrued Wages Payable

___ (g) Employer's Payroll Taxes Payable

___ (h) Transfer from DFAFS

___ (i) Institution's Cash Contribution

___ (j) Institution's Non-cash Contribution

___ (k) Off-campus Agency's Contribution

___ (l) Student Wages-On Campus

___ (m) Student Wages-Off Campus

___ (n) Administrative Expenses Paid to Institution

Reference: Recommended Chart of CWS Accounts,
NACUBO Accounting, Record Keeping and Reporting manual, 1974, p. 16;
CWS Regs.-Section 175.28(b)

YES NO N/A

52. Do accounts show CWS funds are used only for

___ ___ ___ (a) payment for the Federal share of compensation to students?

___ ___ ___ (b) transfer to SEOG

___ ___ ___ (c) payment of allowable administrative expenses

Reference: CWS Regs.-Section 175.27

___ ___ ___ 53. Is the appropriate ratio of institutional funds on deposit before each CWS payroll disbursement?

Reference: CWS Regs.-Section 175.22(a)
Federal funds may be used to pay only the Federal share of compensation to students. If institutional funds are not on deposit at the time of CWS payrol disbursement, Federal funds are paying the Federal share and the institutional share.

___ ___ ___ 54. Does the institution maintain a subsidiary "unexpend grant authorization" account or other comparable account which assures that the CWS allocation is not over-expended?

Reference: CWS Regs.-Section 175.28(b)(ii)

___ ___ ___ 55. Are there payroll vouchers available which contain sufficient information to support all payroll disbursements?

Reference: CWS Regs.-Section 175.28(b)(iv)

___ ___ ___ 56. If your institution participates in the CWS and/or SEOG programs, is it meeting its Maintenance-of-Level-of-Effort requirement?

Reference: SEOG Interim Regs.-Section 176.20
CWS Regs.-Section 175.25

57. Are the following NDSL records maintained?

___ ___ ___ (a) General Journal?

___ ___ ___ (b) Cash Receipts Journal?

YES NO N/A

___ ___ ___ (c) Cash Disbursements Journal?

___ ___ ___ (d) Cancellation Journal?

___ ___ ___ (e) General Ledger?

___ ___ ___ (f) Subsidiary Ledger of Student Accounts?

Reference: NACUBO Accounting, Record Keeping and Reporting manual, 1974, p. 11; NDSL Interim Regs.-Section 144.18(b)(1)

___ ___ ___ 58. Are there adequate accounting records to insure the integrity of the NDSL Fund and to provide a clear audit trail?

Indicate with an "X" the accounts that your institution uses:

___ (a) NDSL Cash

___ (b) Funds Receivable, DFAFS

___ (c) Funds Receivable, Institution

___ (d) Funds Advanced to Students-In School

___ (e) Funds Advanced to Students-Out of School

___ (f) Loan Principal Collected

___ (g) Loan Principal Cancelled-Teaching Service (10% rate), Prior to 7-1-72

___ (h) Loan Principal Cancelled-Teaching Service (15% rate), Prior to 7-1-72

___ (i) Loan Principal Cancelled-Military Service (12 1/2% rate), Prior to 7-1-72

___ (j) Loan Principal Cancelled-Teaching Service (15% rate), 7-1-72 and after

___ (k) Loan Principal Cancelled-Teaching Service (20% rate), 7-1-72 and after

___ (l) Loan Principal Cancelled-Teaching Service (30% rate), 7-1-72 and after

YES NO N/A

___ (m) Loan Principal Cancelled-Military Service (12 ½ rate), 7-1-72 and after

___ (n) Loan Principal Cancelled-Death

___ (o) Loan Principal Cancelled-Disability

___ (p) Loan Principal Adjustments-Bankruptcy

___ (q) Loan Principal Adjustments-Other

___ (r) Federal Capital Contributions Authorized

___ (s) Institutional Capital Contributions

___ (t) Repayments to Federal Government

___ (u) Repayments to Institution

___ (v) Interest Earned on Loans

___ (w) Other Earnings

___ (x) Reimbursement of amounts cancelled on loans 7-1-72 and after

___ (y) Litigation Expenses

___ (z) Administrative Expenses

___ (aa) Other Collection Expenses

___ (bb) Cost of Loan Principal and Interest Cancelled-Teaching Service (Loans prior to 7-1-72)

___ (cc) Cost of Loan Principal and Interest Cancelled-Military Service (Loans prior to 7-1-72)

___ (dd) Cost of Loan Principal and Interest Cancelled-Teaching Service (Loans 7-1-72 and after)

___ (ee) Cost of Loan Principal and Interest Cancelled-Military Service (Loans 7-1-72 and after)

___ (ff) Cost of Loan Principal and Interest Cancelled-Death

___ (gg) Cost of Loan Principal and Interest Cancelled-Disability

___ (hh) Other Expenses or Losses-Bankruptcy

YES NO N/A

___ (ii) Other Expenses or Losses-Other

Reference: Recommended Chart of NDSL Accounts
NACUBO Accounting, Record Keeping
and Reporting manual, 1974 pp. 17
and 18;
NDSL Interim REgs.-Section 144.18(b)(1)

___ ___ ___ 59. Is the institutional matching portion (1/9 of Federal share) deposited into the NDSL fund at the same time the Federal share is deposited?

Reference: NDSL Interim Regs.-Section 144.8(b)(2)

___ ___ ___ 60. Is your institution aware that an audit of its college-based student financial aid programs must be performed not less frequently than once every two years?

Reference: NDSL Interim Regs.-Section 144.18(e)
SEOG Interim Regs.-Section 176.23(d)
CWS Regs.-Section 175.28(d)